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***Push for NATO Expansion Laid to 'Generals' Influence**

954Q0182A Moscow TRUD in Russian 13 May 95 p 1

[Article by Valeriy Begishev, under rubric "Point of View": "Difficult Meeting"]

[FBIS Translated Text] Despite the optimistic tone of the concluding press conference and despite the five coordinated documents, almost no one among those who followed the course of the sixth meeting between Boris Yeltsin and Bill Clinton conceals the fact that the discussion was difficult and important questions remain unresolved. We have in mind primarily the problems of Russia's nuclear deal with Iran and the problems of NATO expansion. And whereas in the first instance a partial compromise was nevertheless achieved, for the time being, the situation with regard to the North Atlantic bloc is still at a stalemate.

It is necessary first of all to note that the idea of expanding the bloc was definitely not advanced by the West, or by the United States in particular. The former comrades in arms of the USSR in the Warsaw Pact and the Baltic countries asked to be taken under the "umbrella" of the Western alliance as soon as they became aware that the end had come to the Soviet Union and the Warsaw Pact. The "indigenous" NATO members had to restrain the pressure from those countries: that is how the buffer program "Partnership On Behalf of Peace" was born. It is also rather clear why those countries asked for inclusion and are continuing to insist. On the one hand, after long years of being in the "socialist camp," they want to prove as rapidly as possible that they belong to what used to be called the "free world," and, at that, to the most civilized part of it. On the other hand, there remains a fear of the state that officially declared itself to be the successor of the Soviet empire and that is its basic part —that is, fear of Russia.

There is no reason for anyone to be apprehensive that our young democracy is intimidating anyone. What is intimidating is not that democracy itself, but certain of its genetic features that force one to recall the era of "socialism." Such features as the manifestations of the pseudopatriotism that represents an inferiority complex turned inside-out; disrespect for law (we might recall the secret edict that laid the beginning for the Chechen war); the unusual understanding of Russia's geopolitical role, which understanding was expressed in certain recent statements by Minister Kozyrev with regard to the possibility of applying force abroad; the existence of strong extremist currents that are not being repulsed properly; and the overall impression of domestic instability. Putting it more succinctly, as offensive as this may seem, we still have to prove to our neighbors that under no conditions will a threat to them emerge from Russian territory.

Western politicians, although they do not state this openly, partially share such fears. Those fears are expressed by political experts. For example, retired General William E. Odom, the head of research on national security at the authoritative Hudson Institute, wrote a year ago that NATO expansion would establish a clear limit to Russian imperial reconsolidation in the event that Moscow should choose that path. In addition, he assumes that a more favorable psychological climate would be created for continuing procapitalist reforms in Eastern Europe.

Our Western partners are set on guard by the very history of the arising of the Russian nonacceptance of the idea. After all, in the autumn of the year before last, Yeltsin, while he was in Poland and the Czech Republic, took an understanding attitude to it. However, after the October events his position changed sharply, and since that time he has invariably emphasized that Russia will do everything possible to oppose the attempts of the Atlantic Alliance to get closer to its borders. It is difficult not to see reason in the comments made by those observers who see here the evidence of the increased influence exerted on Yeltsin by those generals who "rescued" him in the conflict with the Supreme Soviet. The position, say, of Grachev in this regard is well known.

One can understand the generals: they need a potential opponent, because it would otherwise be impossible to justify the existence of a tremendous army (which size, as compared to the size of the population, surpasses the American army practically by a factor of 3). But the search for that opponent in the West is made difficult by our relations with our new and important partners.

***U.S. Quest for Influence in Caspian, Caucasus**

954Q0182B Moscow SEGODNYA in Russian 12 May 95 p 9

[Article by Aleksandr Ignatenko: "'Big Brother' Has Freed a Place for 'Big Sister': Caspian Oil and Russia's Geopolitical Prospects"]

[FBIS Translated Text] **The events that occurred after the collapse of the Soviet Union in December 1991 have demonstrated that nature abhors a geopolitical vacuum. The new independent states that were former components of the USSR have become the object of the aspirations of the superpowers and the regional powers. An attempt to divide the Soviet**

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imperial legacy is being made by the United States and Great Britain, Turkey and Iran, China and certain Arab countries...

At such time it is not simply the Russian interests that are being violated. On the spur of the moment, a new rule of international relations is being introduced — establish permanently Russia's isolation in its new borders, and make unconditional a ban on its leaving those borders under any pretext (the "Madelynn Albright Doctrine"). An active role in this is played by the United States. At such time "Big Sister" — the United States — is attempting to replace the former "Big Brother" — the Soviet Union — in the zone of Russia's vital interests.

Russia, outside the confines of its internationally recognized borders, has a zone of its own vital interests, which encompasses:

— the places of residence of Russians and Russian-speaking and other nations that are linked with Russia by traditional reciprocal self-interests (economic, political, cultural, etc.) that formed over the course of centuries, both in the zone of the formation and existence of the Russian Empire, and during the period of the existence of the USSR;

— the territories on which communication lines (petroleum and gas pipelines, railroads, space-tracking stations, etc.) or unique communications structures (for example, Baykonur) are situated;

— regions having military strategic importance for the very existence of the new Russia (zones of strategic depths; places for deploying RLS [radar stations] for providing early warning of a nuclear-missile attack, etc.);

— territories which were in the past and which are at the present time for Russia a source of important or unique resources, especially in the event that the development and assimilation of those sources were carried out during the Soviet period with the active participation of Russia, the current legal heir of the USSR.

One region that cannot fail to be a part of the zone of Russia's vital interests is the Caucasian region, with its exits to the Black Sea and Caspian zones, and in particular the trans-Caucasus.

The attractiveness of that region increased for the entire world, and especially for Russia's new geopolitical competitors, after it became clear that part of the post-Soviet "South" —Azerbaijan, Kazakhstan, and Turkmenia — may form an oil-producing region that is the world's third largest, after Siberia and the Persian Gulf, and that the total marine reserves in the Caspian Sea region reach 10 billion tons of oil and 6 billion cubic meters of gas.

The deposits (in any case, the continental ones) are the property of the corresponding states. However, there exist a number of questions that affect Russian interests in the most direct way. One of these questions concerns the routes for transporting the Caspian oil (primarily from Azerbaijan and Kazakhstan).

Something that has become a new circumstance of recent time is the fact that official representatives of the American administration have begun participating completely openly in providing the conditions for the activities of American oil corporations. One of the evidences of this course was the recent visit to Baku by William White, the U.S. Undersecretary of Energy. That occurred in obvious dependence upon the achievement of the American share in the "contract of the century" of a kind of "critical mass"; after Azerbaijan ceded 5 percent of its share to the Exxon company, the total share of the United States in the consortium reached 45 percent. William White's tour was an unconcealed announcement of intentions: both in Baku and in Yerevan, Tbilisi, Almaty, and Ashkhabad, the question of laying an oil pipeline line to bypass Russia is being worked out openly.

Projects that have become an alternative to through shipment of Caspian oil across the territory of Russia are the projects for transporting in a southerly direction — toward Turkish Mediterranean terminals.

Here the dilemma has always been, and continues to be, extremely complicated: either to carry part of the pipeline across the territory of Iran, or to carry it across the territory of Armenia (Azerbaijan-Armenia-Azerbaijani Nakhichevan-Turkey). The inclusion of Iran is not very acceptable to the American participants in the "contract of the century" and their patrons in the administration. There remains a second alternative — with the inclusion of Armenia.

The United States has not been concealing its self-interestedness in assuring that it is precisely this route that should be chosen and implemented. I would like to quote an article by John (Maresk), former U.S. ambassador for special missions, entitled "The New Silk Route," that was published in WALL STREET JOURNAL: "It is in U.S. interests for... the oil from Baku to travel across Armenia and Turkey," he writes. In late February of this year, Joe (Pressel), head of the U.S. State Department's Division for the CIS Countries, at a meeting with the Azerbaijani minister of foreign affairs expressed the same desire. British figures are also lobbying for this idea.

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Yet another itinerary to bypass Russia is not precluded — the route from Baku to Batumi over the existing oil pipeline, which, naturally, will have to be modernized, and, then, once again, by land to Turkey and its Mediterranean terminals.

But in this instance it is necessary to create conditions of stability in such a conflict-producing region as the trans-Caucasus.

The very direction of the through shipment of oil (bypassing Russia) also precludes the necessity and the possibility of Russia's participation in this process. In this instance, Russia is simply unnecessary here. The country that expressed the desire to become the guarantor of such regulation was the United States, which simultaneously announced that Russia's interests should be limited to the confines of its own territory. Under the conditions of a kind of Pax Americana in the trans-Caucasus it is proposed that, to bypass Russia, an oil pipeline should be laid to Turkey.

At such time the consideration of American foreign policy in the global context forces one to think that the United States is attempting to take under its control a superregion that will include such geostrategically important and simultaneously oil-bearing regions as the Near and Middle East, Central Asia, and the trans-Caucasus.

In carrying out this plan, an important role is assigned to Turkey. The Turkish side has created a kind of bottleneck on the path for carrying Caspian oil across Russian territory: on 1 July 1994 it unilaterally changed the conditions for passage by tankers through the Bosphorus and the Dardanelles — in obvious contradiction to the well-known Straits Convention (the Montreux Convention), as a consequence of which a question that proved to be a big one was the economic profitability, as well as the very possibility, of transporting Caspian oil to the Russian Black Sea oil terminals, and from them to consumers outside the confines of the Black Sea region. Realistically, Russia proves to be faced by two rather gloomy prospects:

— either not to use large-tonnage tankers to carry oil through the Straits and to be under the permanent threat of complete shutdown of that path unilaterally by Turkey in the future (for example, in the event of a serious ecological catastrophe in that densely populated region of the country);

— or to participate in the very complicated and economically unprofitable process of reloading the oil from tankers in the Black Sea that has become "closed," in the Bulgarian port of Burgas, and its further transportation over the territory of Bulgaria and Greece to the Greek coast of the Mediterranean Sea and new reloading into tankers.

It is not excessive to note that Turkey is submitting Russia to a strength test under conditions of the weakening and, we might repeat, the isolation of Russia in its new borders and the collapse of the Black Sea Fleet. Turkey's entire new geopolitical concept with respect to Russia was expressed in the words of Prime Minister (Tansu Ciller): "Turkey and Russia are two regional powers that are linked by bonds going back many centuries."

In parallel, Turkey is creating the most favorable conditions for the laying of additional oil pipelines across its territory with the purpose of carrying out the through shipment of Caspian oil. In the opinion of a number of analysts, the intensification of Ankara's fight against the Kurds — up to and including invasion onto Iraqi territory — is the attempt to provide safe conditions for carrying out that project.

Simultaneously, influence is also being exerted in various forms on Azerbaijan. The Baku press has published information to the effect that a number of highly placed Turkish state officials have been accused of participating in the recent March (1995) mutiny by members of the Azerbaijani OPON [special purpose police units]. There is much here that is arguable, but observers do not preclude the possibility that the mutiny had the purpose of restoring in Azerbaijan the power of the pro-Turkish People's Front of Abulfaz Elchibey and the pro-Turkish "gray wolves" of Iskander Gamidov.

And, even if Turkey's share in the international consortium is comparatively small (6.75 percent), its economic interest can be completely realized in the event that the oil pipeline runs across its territory.

Nor is everything clear about the Kazakhstan oil from Kazakhstan Tengiz. In conformity with the plan of the Caspian Pipeline Consortium (KTK), which includes Russia, Kazakhstan, and Oman, it is proposed to lay a route for transporting oil from Tengiz by way of Astrakhan Oblast, Kalmykia, the Kuban, and Stavropol Kray to Novyy Port (new oil terminals close to Novorossiysk). We should note immediately that in this way the new pipeline bypasses the unstable region of the Russian Northern Caucasus and, in particular, Chechnya, across which an oil pipeline to Novorossiysk runs at the present time. The developers of that plan do not preclude the possibility that the "new" oil from Azerbaijan will also travel along that pipeline.

But it would seem that that optimism is not entirely justified. The alternative of repumping to the oil terminals

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is being worked out with respect not only to Azebaijani, but also Kazakhstan oil. In any case, there exists information to the effect that this was precisely the topic of negotiations, at the recent meeting in Davos, among (Tansu Ciller), Geydar Aliyev, and Nursultan Nazarbayev.

In the event of this kind of turn, the company that will prove to be the winner is Chevron, which is developing the Tengiz deposit, one of the alternatives of transporting the oil from which has stipulated the Tengiz-Baku route along the northern shore of the Caspian. (The project for creating a trans-Caspian pipeline seems to be imaginary, but there have been mentions of it.)

Azerbaijan is in an exceptionally complicated situation, as it attempts to observe its state interest in conditions of the geopolitical competition among the United States, Iran, and Russia and other states in the trans-Caucasus region. The Azerbaijani leadership headed by wise and experienced politician Geydar Aliyev is maneuvering and conducting a policy of "something for everyone." That policy has been yielding its fruits.

Negotiations concerning the allocation to Iran of 5 percent of the Azebaijani share in the international consortium have led to a situation in which the Iranian side has left Russia practically alone in the negotiations on the status of the Caspian Sea and it has realistically supported Azerbaijan's right to make unilateral decisions with regard to that part of the coastline water that Azerbaijan views as its own shelf. The sharp objection by the Americans against Iranian participation in the international consortium has forced Azerbaijan to go back on its word. (That very fact itself indicates who is "paying the piper.") But Iran, insofar as one can judge, will take part in the development of other Azerbaijani deposits that have not been included in the "contract of the century."

Azerbaijan also is not closing the question of the routes for transporting Caspian oil, and it is not yet precluded that, for the through shipment of that oil or a part of it (which is considerably more probable), a Russian system of pipelines will be used.

With respect to Russia, other gestures are also being made, which can be evaluated as an open attempt to improve Azerbaijani-Russian relations. Russia's share (through LUKoyl or another structure) in the international consortium may be increased The signing of an economic-trade agreement between Russia and Azerbaijan is being prepared. The existence of a Russian radar station (RLS) in Gabal as a Russian military base is being legislatively formulated.

Russia, in the conditions that are unfavorable for itself, is doing quite a bit to keep from being crowded out of the trans-Caucasus, which is a zone of its vital interests.

First, the federal Center has finally decided to undertake the normalization of the situation in part of a neighboring region —the North Caucasus. It was proposed in this way to create conditions for removing the bottleneck on one of the possible paths for through shipment of Caspian oil (and for restoring control over one of the Russian oil-bearing regions). True, that was done without the appropriate preliminary study, and the very process of deciding the Chechen problem may promote Russia's isolation. That is an independent, complicated, and painful topic.

Secondly, the Russian MID [Ministry of Foreign Affairs] carried out important work involving legal interpretation of the "contract of the century" and called upon all the Caspian states to consider (reconsider) the status of the Caspian Sea and the conditions for the joint use of its wealth by the states that border its shores. Iran's new position coincides with the Russian position. The corresponding actions by Russia include actions to abolish the unilateral limitations introduced by Turkey for passage of ships through the straits. Here Russia is forming into a bloc with the Black Sea states, by failing to exclude the bringing up of the question for review by the United Nations Security Council.

Thirdly, Russian diplomats and military are doing much for Russia's participation in regulating the conflicts in the trans-Caucasus. And it must be especially noted that, without the most active Russian participation, those conflicts may not be resolved.

Fourthly, active work has begun to deploy Russian military bases in Armenia and Georgia (and most recently, as we can see, also in Azerbaijan).

But it cannot be said that everything has been done to oppose the crowding out of Russia from the trans-Caucasus. Russia, in the person of its state agencies, must be completely aware of, must formulate, and must declare its rights in the zone of vital interests, and must define adequate forms for protecting those interests.

*Russia's Prospects of Joining World Trade Organizations Examined

954E0952A Moscow KOMMERSANT-DAILY in Russian 7 May 95 p 3

[Article by Vadim Bardin and Konstantin Levin under the rubric "Russia in the System of International Trade": "Moscow's Debut Lies Ahead"]

[FBIS Translated Text] *The path of Russia, like any newcomer to the World Trade Organization, is a thorny one.*

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Entry into the WTO is a multi-stage procedure entailing various negotiations. The Russian government, having begun to move toward the WTO, also has another rabbit in its sights. The newspaper "b" was already writing yesterday that the time Moscow will be spending in the "dressing room" of the WTO will not pass without benefit to the Russian budget. In order to achieve success, however, more than the inventiveness of Russian negotiators will be required; the corresponding measures will also have to be taken in the sphere of foreign economic regulation.

Russia Again Intends To Enter a Transitional Period

The negotiations of Russian Vice Premier Oleg Davydov with the Swiss ambassador to the WTO and head of the working group "for the accession of Russia to the GATT-WTO," William Rossier, that were conducted last Friday confirmed that there are no "serious objections" in the European Union or the United States against Russian foreign economic policy. That is yet another cause for the official and irrevocable acquisition by Russia of the status of a country with a market economy, which is an important political precondition to entry into the WTO. Rossier has not coincidentally promised to speed up the acceptance of Russia into the WTO. The procedure for entry into the WTO envisages the coordination by Russia of a number of trade problems with the founding countries of that organization. Davydov, according to an Interfax report, has declared that Russia will be able to become a WTO member as early as next year.

Clarifications are needed regarding the time frame. The WTO has very carefully developed rules of behavior for its members in the markets for food and textiles. The rules on foodstuffs in particular envisage the complete rejection of restrictive measures on both imports and exports. The transition to those norms should take place within six years for developed countries, and ten years for developing countries. The transitional period for textiles is ten years. Strictly speaking, then, we can talk about starting to count the transitional period. The habit of living in virtually endless transitional periods could serve Russia well herein. It is namely during this time interval that the use of the administrative restrictions so beloved by Moscow is permitted; their institution, it is true, would have to be substantiated under WTO rules.

The Secret of the Ninth Place

The negotiations at the threshold of WTO assume a coordination of the levels of tariffs and the terms of Russia's utilization of protective restrictive measures. The future partners in the WTO will naturally try to disarm Russia to the utmost therein. The task of the Russian team is to defend our national interests. How can that be done? First, lay in reserves for the coming trading. An increase in the import tariff could be regarded as a tactical move in this regard—import duties could be lowered in the negotiating process. Second, the commodity positions for which negotiations are being conducted should be split up. The question of the institution of a nine-digit code for the TN VED [Foreign Economic Activity Commodity Code] (the use of the code is limited to eight digits today) that was considered at the April collegium of the MVES [Ministry of Foreign Economic Ties] is of far from a theoretical nature. That breakdown expands freedom of maneuver in the negotiations on tariff policy within the context of the entry procedure as well. The following in particular testifies to the fact that this step will be taken: the preparation of proposals for the making of changes and additions to the TN VED has been relegated to the authority of a just-created government commission on customs and tariff issues. Another government commission—for protective measures in foreign trade—will simultaneously begin to sharpen its skills, striving to convince the WTO that the employment of non-tariff methods does not contradict the permissible procedures.

Principal Requirements of Participants in the GATT-WTO According to the Results of the Uruguay Round of Multilateral Trade Negotiations

According to the agreement on protective measures of GATT-94: A strengthening of discipline in the employment of protective measures, including quantitative limitations on imports and the raising of import duties. The agreement introduces more explicit criteria for determining the harm caused to national producers as a result of imports, and restricts the use of protective measures through a temporary framework (in any case not more than eight years starting in January 1995). **According to the agreement on agriculture:** The setting of tariffs—the conversion of all measures of non-tariff regulation of imports of agricultural products (import quotas, minimum import prices, measures to support state trading enterprises, voluntary restrictions on exports on the part of an importing country) into so-called linked customs tariffs, which may not be raised above a fixed level without corresponding compensation. The level of those tariffs is subject to reduction by 24 percent over the course of ten years by developing countries and by 36 percent over six years for industrially developed countries that are participants in the WTO. The level of tariffs for the principal trading nations will be within the limits of 150 to more than 500 percent (449.9 percent

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for the United States, 280.4 percent for the European Union, and 552.5 percent for Japan).

According to the agreement on textiles and clothing: The complete elimination of quantitative restrictions in this sphere of trade by all members of WTO within a ten-year (starting in 1995) transitional period, via the gradual increase of import quotas.

Kozyrev Credibility, Support Base Examined

954F2323A Moscow MOSCOW NEWS in English 5-11 May 95 No 17, p 2

[Article by Alexei Pushkov, MN columnist: "Kozyrev Loses Credibility Both at Home and Abroad"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] On the eve of the arrival in Moscow of the heads of 55 states for May 9 celebrations, Andrei Kozyrev has made a number of statements which have added no prestige either to him personally, to President Yeltsin, or to the country he represents.

Kozyrev started by alerting the whole "near abroad" and the rest of the world when he declared that for the defense of the Russian-speaking population in the former Soviet republics Moscow could use all means, including armed force. Then he uttered such threats to the Tajik opposition at the inter-Tajik talks in Moscow, almost forcing an end to the meetings.

Finally, in Copenhagen during the last days of April Kozyrev stunned everyone at a meeting of the Trilateral Commission, an influential nongovernmental organization bringing together prominent politicians and experts from the United States, Western Europe and Japan. As witnessed by a member of the commission from the American side, Kozyrev literally begged them not to expand NATO. Especially surprising were the arguments he used. "He pleaded that we not enlarge NATO," says the same source, "because this would spell an end to him — Kozyrev. He said that he would then be writing his memoirs in the Gulag, and that stones were already falling on his — Kozyrev's — head."

However, his attempt to evoke pity from his listeners was unsuccessful. One of those present commented that it made no difference where Kozyrev would be writing his memoirs. And Henry Kissinger said that the West could not build its policy toward Russia proceeding from the consequences for the Russian foreign minister. In short, Kozyrev not only underestimated his highly sophisticated audience, but clearly overestimated the level of sympathies for himself in the West.

What is behind the Russian minister's evident nervousness? Kozyrev's main problem stems from the fact that he enjoys no support whatsoever inside the country. His demonstrative withdrawal from Russia's Choice deprived him of the sympathies of radical democrats. Kozyrev relies today only on President Yeltsin who, however, is subjected to different influences and changes in moods. Hence the minister's permanent wavering in keeping with the prevailing political winds. Hence the unwieldy and empty rhetoric in the style of the early Zhirinovsky and the menacing postures which only harm Russia's international image.

There is nothing mysterious in his Copenhagen speech either. Kozyrev's political destiny directly depends on the West. After all, for Yeltsin, Kozyrev is valuable for two reasons — his absolute loyalty and, most important, the special relations he has helped to establish between the Russian president and Western leaders.

However, for those "special relations," for Yeltsin's invitations to G-7 meetings, for Clinton's consent to arrive on May 9 in Moscow while in the United States the Republican majority in Congress is severely criticizing him for this — for all this Kozyrev has to pay back his Western counterparts. It was an easy thing to do until recently. As long as the Kremlin viewed the United States as a senior friend and was ready to agree with it on nearly everything, Kozyrev could easily promise the Americans to settle certain problems in Moscow and he nearly always succeeded in this. As for those rare cases when he tried to resist U.S. pressures, his American counterparts were blunt and open. This was the case during the well-known dispute between Moscow and Washington on Russia supplying India with cryogenic engines and the technologies for their production. When the Russian minister tried to explain to U.S. Secretary of State Warren Christopher how difficult it was to impel the Russian leadership to reconsider the already concluded deal, the latter replied: "Andrei, I think you should know better."

For three years Kozyrev had it his way. He enjoyed Yeltsin's favor since he could secure the necessary results in the West and he enjoyed the West's favor since he secured the necessary results in the Kremlin. However, the prospect of NATO's enlargement has become a mine which threatens to ruin the minister by exploding the elaborate structure he created.

In his March address to the Foreign Ministry's collegium Boris Yeltsin publicly reprimanded Kozyrev for his readiness to discuss with NATO the conditions of the alliance's future expansion. Yeltsin said that he had not approved such an approach. He even suggested that Kozyrev take back the promises he had already given to the Americans.

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Kozyrev has felt the ground to be slipping from under his feet. The game he had entered with the Clinton administration on NATO expansion received no support from Yeltsin. Right until the beginning of May, as it has become known from reliable sources, he was unable to persuade the president to shift to his position. Unless Yeltsin suddenly changes his attitude toward NATO's enlargement during his talks with Bill Clinton, Kozyrev will be in for troubles. According to some observers, the minister has already pledged to the U.S. administration that he will incline the Kremlin toward accepting NATO expansion. If, however, Kozyrev fails to succeed, his resource of usefulness for the Americans will largely be depleted. This means that his influence in Washington, which made Kozyrev necessary for Yeltsin, will be sharply weakened, too.

Kozyrev has been reduced to sounding like a hawk in an attempt to stay on his feet. Hence the minister's outwardly contradictory, but rather consistent behavior, at least consistent from the standpoint of his own self-preservation. The "two Kozyrevs" that some Western observers like to talk about simply do not exist. There is just one Kozyrev dashing from side to side and increasingly losing self-control and credibility both in Russia and in the West.

Dignity, predictability and reliability — the qualities highly valued in diplomacy — are exactly those which Kozyrev cannot ensure today. Therefore there are good reasons to think that whenever he eventually quits, it will not be met with regret, both in Russia and the West.

*MFER Minister Davydov on Ministry's Planned Reorganization

95P50121A Moscow DELOVOY MIR in Russian 17 May 95 p 2

[ITAR-TASS item: "MFER Reorganization Is Planned"]

[FBIS Translated Text] Russian Federation deputy government chairman and Minister of the MFER [Ministry of Foreign Economic Relations] Oleg Davydov reported that a reorganization of the Ministry of Foreign Economic Relations is being planned for the near future. He noted that the functions of all the state federal organs should be changed in order to develop reform. The more quickly they begin to adapt their structures and cadres to these changes the greater are their chances not only to survive, but to display a viable existence.

According to Oleg Davydov, the MFER should devote greater attention to creating a system of foreign economic relations rather than to fulfilling specific everyday functions. The main task facing us now is Russia's entry into GATT/WTO, as well as creating an advantageous regime for Russian exporters, protecting the domestic market, and regulating tariffs. Only those functions which are carried out by all other ministries in the world similar to the MFER will remain in the ministry's sphere of activity, the deputy premier said.

It is proposed that eight departments will be created based on a cut in the number of the MFER's main administrations.

*Duma Security Committee Head on Soros Foundation

954Q0179A Moscow SOVETSKAYA ROSSIYA in Russian 18 May 95 p 3

[Article by V. Ilyukhin, chairman of the State Duma Security Committee: "Whose Partner Is G. Soros?: V. N. Ilyukhin, chairman of the State Duma Security Committee, has prepared for the deputies an analytical informational document entitled: 'The Activity of the G. Soros Foundation in Russia'"]

[FBIS Translated Text] As a result of the fact that a number of deputies have repeatedly touched upon the question of the penetration by foreign states and foreign religious denominations into the process of instructing young Russians and into the development of science in this country, I deem it necessary to share with you the information that has been received from the ministries and departments, as well as that which has been obtained from Western sources.

On 15 February 1995 Academician Yu. S. Osipov, president of the Russian Academy of Sciences (RAN), sent the State Duma a message in which he heightened the attention to the very serious state of Russian science, and especially fundamental science. The real financing of RAN has been reduced to less than one-fifth of the previous amount. The academy is existing on the brink of its capabilities and is losing the leading positions in world science, which situation will lead the country to complete economic dependence upon other states and to the destruction of national security. However, the Russian government, instead of rendering the necessary support to science and education, has made an attempt to resolve the problem of their insufficient financing at the expense of the so-called philanthropic activity in Russia of various foreign foundations, associations, and organizations, which are given customs, tax, and other benefits in an indiscriminate and unmonitored manner.

In this regard the G. Soros foundations attract attention to themselves.

George Soros (Djeri Soros) himself — a billionaire, and one of the most influential persons in the United States — was born in 1930 in Budapest in the family

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of a lawyer who was Jewish by nationality. In 1947 he moved to London, where he was graduated from a school of economics. In 1956 he took up permanent residence in the United States and worked as a stock broker in a number of companies, playing on the difference in the exchange rates in the New York and London stock exchanges. In 1981 Soros obtained American citizenship, and three years later he created the Quantum Foundation and engaged in the activity that became the chief one in his life — the placement of money.

Engaging in operations with securities, Soros achieved considerable results. By the beginning of the 1980's the Quantum Foundation was valued at $300 million. In 1992 Soros earned $650 million and headed the list of the 100 most successful financiers that is prepared annually by FINANCIAL WORLD magazine.

Soros is considered to be a very important international financial authority who created an entire school of "financial speculators," and one of the richest persons in the world. Currently he heads the Soros Foundation Management company (the "Soros Foundation"), which controls four investment foundations that are united into the Quantum Group, and controls, according to various estimates, capital of from $20 billion to $25 billion. The foundations that are controlled by his company specialize in the most risky financial operations, payment for participation in which is the opportunity, in the event of success, to get colossal income.

Since 1991, Soros' financial power became so great that the actions of the foundations that had been created by him began to threaten the stability of the basic world currencies. As a result of this activity, in 1992 the positions of the Bank of England and the pound sterling were undermined, and in 1993, the position of the French franc.

In the early 1980's Soros began showing interest to the countries in the socialist camp. He organized joint philanthropic foundations in Hungary (1984), China (1986), and Bulgaria (1990). Soros' presence in Eastern Europe rose to a new qualitative level with the formation in 1990, with his participation, of the Central European University in Prague and its branch in Budapest.

By the present time Soros' "philanthropic activity" in those countries has been practically curtailed.

In Hungary the Soros Foundation took active part in preparing the replacement of the political system, and subsequently was used by the U.S. government to exert influence on the domestic-political life of the country, which evoked a negative reaction by the republic's leadership.

A number of foundation employees in early 1990 were exposed as having ties with the American CIA. In report documents issued by the PRC Ministry of Public Security, for example, it was stated that the Soros Foundation is a cover for American intelligence services and uses scientific and economic "philanthropy" to subsidize illegal commercial transactions, to bribe highly placed individuals, and to gain access to influential political circles in the PRC.

In Bulgaria the activities of the branch of the Soros Foundation were carried out under the protection of the U.S. Embassy and were viewed as one of the channels for spreading American influence on the domestic-political processes in that country.

In 1993, as a result of the interference by the Soros Foundation in the internal affairs of the Czech Republic, the government of that country reviewed the question of abrogating the treaty with the American concerning the placement of the Central European University in Prague. The government of the Czech Republic was troubled by the fact that the results of the scientific work conducted by Czech scientists were becoming the intellectual property of the Soros Foundation.

In 1987, in conformity with a decision of the leadership of the former USSR, the Soviet-American philanthropic international foundation called "Cultural Initiative" (branch of the Soros Foundation) began operating in our country. The stated goal of its activities was the expansion of cultural and scientific ties. At the present time Cultural Initiative has a daughter enterprise — the Partnership investment foundation, which is participating in the privatization of Russian enterprises...

According to the available information, in 1988-1992 all the funds (of the order of $3 million) allocated for philanthropic aid to Soviet, and then Russian, scientists were expended to implement a program that was aimed, as Mr. Soros himself repeatedly stated, at eliminating the Communist regime. Of the announced total, 70-80 percent went to pay for the work conducted by American experts, and the rest went to purchase abroad the computer, audio, and video equipment necessary for the work being done in Russia by the foundation personnel and their correspondents. Those small amounts of money that nevertheless arrived in our country went primarily to support the activities of such political associations as "Memorial," "Glasnost," etc.

And now a few other steps taken by Soros in Russia.

In September 1991 he proposed to A. Volskiy, president of the USSR Scientific-Industrial Union, his project for economic reforms in the USSR with the broad participation of foreign capital in the reforms. According

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to Soros, the Soviet Union could not survive the next winter without foreign aid. He proposed introducing a ration-card system in the country and the "sponsorship" of enterprises by foreigners.

In December of the same year George Soros announced the allocation of $100 million to support science. POISK, the newspaper of the Russian Academy of Sciences, on that occasion published an enthusiastic article entitled "Santa Soros."

In April 1992 the Cultural Initiative foundation began taking active steps to "introduce" the state structures of the former USSR to world civilization...

The year 1993. January. Boris Yeltsin received George Soros in the Kremlin. According to the official version, Soros promised to offer $100 million in order to "hamper" the brain drain of Russian talents (during the period from 1985 through 1990, more than 2000 doctors and candidates of sciences went to the United States alone). However, the brain drain became even more intensive.

February. George Soros transferred to Russia $10 million for educational reforms in Russia, the publication of school textbooks, the retraining of 125 school directors and 200 instructors...

November. The presentation in Moscow of George Soros' project for the creation of the Interdisciplinary Academic Social Sciences Center, in which, according to the American, Russian scientists would "be able to restore their ability to carry out analytical thinking." A data bank for studying public opinion was being created.

In March 1993 George Soros conducted negotiations on purchasing a part of the Radio Liberty radio station and Free Europe and their transfer from Munich to Prague. The radio stations would begin cooperating with the East European mass media.

Simultaneously Soros has been applying his efforts to renew education in the humanities in Russia. "Unideologized" textbooks in the humanities are being published. Soros grants are being awarded to school and *gimnaziya* directors and "famous trailblazers in the area of education in the humanities" —Yevgeniy Yamburg, Aleksandr Gutman, Sergey Mendelevich, Veniamin Khazankin, etc.

But the main factor in implementing the previously mentioned programs was their directedness toward changing the mentality of Russian society and public awareness. One began to see in Russia Soros teachers, Soros professors, esteemed Soros professors, Soros Olympics, etc., rather than Russian ones. The horrendous degradation of public, patriotic, and national awareness had its foundation in those programs...

There also exists certain information concerning the commercial activity of the Soros Foundation. For example, according to a report in the WALL STREET JOURNAL (10.11.94), American financial experts consider the complete collapse of the ruble in Russia on the so-called "Black Tuesday" of 11.10.94 to be the result of the activity of a group of foundations headed by Soros. One's attention is drawn by the fact that, by the beginning of the summer of 1994, the Soros Foundation acquired shares of Russian enterprises with a total value of $100 million. In late August and early September Soros, who had been waiting for a rise in the exchange rate of the shares, sold all of them. According to experts, in this operation he got a profit equivalent to $400 million. In late September the Soros Foundation began purchasing dollars in exchange for rubles, and that, in the opinion of American experts, is what caused the rapid rise in the exchange rate of the U.A. dollar.

On the whole, the activities of the Soros Foundation, which, according to the opinion that has been disseminated, pursues philanthropic goals, have a clearly expressed commercial directedness. Its financial funds that arrive in Russia are not subject to taxation, and the massive amount of advanced scientific developments that is formed becomes its property and, within the foreseeable future, can bring in dividends that exceed, many times over, the initial expenditures for the support of Russian science.

Russian scientists, like all of our science, are in a very serious situation and, naturally, financial aid may not be undesirable, but that aid should not cause the further decline in the economy, the moral degeneration of society, or the loss of patriotism.

The protection of our country's interests can be guaranteed only by precise legislation that regulates philanthropic and commercial activities in the scientific sphere, that creates preferential conditions for investments in scientific research and development, that encourages the development of the most promising scientific trends, and that guarantees the country's security and the preservation of the strategically important scientific information and developments. In my opinion, these are the areas to which the efforts of legislators should be directed when discussing questions about promoting Russian fundamental science.

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***China Approves Nuclear Power Plant Construction**

954E0953A Moscow KOMMERSANT-DAILY in Russian 7 May 95 p 4

[Article by Aleksandr Koretskiy under the rubric "Russia in the World AES Market": "Not All Contracts Go as Badly as the Iranian One"]

[FBIS Translated Text] *Russia has been able to strengthen its position markedly in the world—and, in particular, the Chinese—market for nuclear power on the eve of difficult negotiations with the Americans on the Iranian nuclear contract. It became known on Friday evening that an AES [nuclear power plant] construction project in the PRC in the province of Liaoning has received final approval. A minimum of two of the four reactors will be Russian. Agreement has been reached at the same time between the governments of Russia and Cuba to complete construction of the Juragua AES.*

Negotiations on the construction of the AES in Liaoning went on for more than a year. The contract was signed several months ago. Under its terms, the greater portion of the funds for the creation of the third Chinese AES are to be granted by Russia on terms of intergovernmental credit. The realization of the contract was delayed somewhat for that reason—the Chinese explained the delay by the necessity of approval of the deal by the State Council. That was obtained on May 5. Funds from a Chinese corporation for the utilization of nuclear power, the government of the province of Liaoning and the Northeastern Power Corporation will also be invested in the construction of the plant, aside from the Russian credit. The total investment is 27 billion yuan.

The Russians, under the terms of the contract, will also assume the performance of some of the planning operations and the installation of the technical equipment of the AES. The Chinese will also take part in the planning work, and will provide general technical assistance in the realization of the project. The AES vessel will be built in the first stage, and two Russian VVER reactors with a capacity of one million kW apiece will be installed and adjusted. The two power units that will be supplied in the second stage of AES construction will most likely also be Russian, even though French and American companies are displaying an enormous desire to participate in the project. The overall capacity of the Chinese nuclear power industry will increase by 200 percent as a result of the construction of the Liaoning AES—the capacity of the Qinshan and Dayawan AESs operating in China today totals just 2.1 million kW.

A somewhat different situation is taking shape today surrounding the construction of the Juragua AES. The project was frozen more than two and a half years ago owing to an acute shortage of funds. The installation of the plant's first power unit, a VVER-440, was only 70 percent completed. A joint-stock company is to be created in June of this year with the participation of British, Brazilian, German, Italian and Russian firms to complete the construction of the first unit, and the whole plant in the long run, under an agreement between Minister of Foreign Trade of Cuba Ricardo Cabrisas and the Ministry of Nuclear Power of Russia. The Italian firm of Ansaldo is currently analyzing the status and feasibility of the first power unit of the AES, and could become one of the first participants in the consortium. Ansaldo could also possibly be supplying Cuba a portion of the equipment for the nuclear plant, which would allow Havana to conserve some five million tonnes of oil a year. As for the participation of Russian firms in the consortium, orders for the production of the equipment necessary for the AES will be placed with them on a competitive basis.

About 800 million dollars are needed for the completion of the facility; the money is expected to be assembled with the creation of the joint-stock company. Russia is meanwhile continuing to supply heavy equipment for the plant through 30 million dollars of intergovernmental credit that was allocated earlier to Cuba. The delivery of auxiliary equipment is continuing. Everything necessary to complete the installation of the first power unit of the AES—the reactor installation and the turbine—is already in Cuba. The unit for automated control of the technological processes, it is true, is still lacking in Cuba, as was stated yesterday by a representative of Zarubezhatomenergostroy [Foreign Nuclear Power Facilities Construction] to Interfax. It costs about 200 million dollars, and it will have to be bought from a Western firm.

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Political Issues

*Proposals for Constitutional Changes Aired

*Editorial Introduction

954Q0180A Moscow PRAVDA ROSSII in Russian 18 May 95 p 2

[Unattributed editorial note: "Two Views of One Issue"]

[FBIS Translated Text] Two interviews, one topic... Presented side by side, they seem to debate each other. The subjects of the interviews address issues with which they have are intimately familiar. One of them is a former deputy of the disbanded Russian Supreme Soviet, the other a current State Duma deputy.

What should our Constitution be like? According to what principle and what rules should deputies be elected to the Russian parliament? Will there be a choice in the elections? Each of the subjects interviewed here has his own view of the issue. As you are probably aware, a few days ago the State Duma decided to distribute deputy seats on an equal proportional basis among party lists as well on the basis of a simple majority system. However, it is too soon to declare the matter closed. There remains another important issue: ensuring that the Constitution helps Russia's peoples build a great and prosperous state.

*To End Party Role in Parliamentary Elections

954Q0180B Moscow PRAVDA ROSSII in Russian 18 May 95 p 2

[Interview with Oleg Germanovich Rumyantsev, president of Russian Constitutional Reform Foundation, conducted by Tatyana Romanenkova: "'The Most Important Thing Is To Return Power to the People', Says Oleg Rumyantsev, Well-Known Constitutional Law Expert and Russian Constitutional Reform Foundation President"]

[FBIS Translated Text] [Romanenkova] Oleg Germanovich, could you summarize the current political situation in Russia?

[Rumyantsev] The political situation today is defined by the struggle to return power to the people. It is precisely along that line that the axis of political confrontation runs.

On the one side is a significant segment of the financial oligarchy, which recently announced its desire to launch a "public" movement to postpone the election, along with a significant portion of the presidential administration, which learned nothing from defeat in the December 1993 election. On the other side of the axis are broad groups of working people, cultural and scientific figures and those who actually produce — i.e. everyone whose labor is not in demand and is not being paid for under the current regime.

These days I meet with my former constituents, with whom I have remained in contact since the 1990 election, and an overwhelming majority of them says that the most awful thing today is the sense of being useless, the sense that their existence is pointless.

Basically, the only peaceful means of stopping this oppressive course of events is to return the people's power to the people's control.

[Romanenkova] But how can that be accomplished?

[Rumyantsev] The Duma elections should not be an arena in which numerous pseudo-parties can play. We should reject elections based on party lists. By restoring the election system based on single-seat geographical districts we will above all achieve a reduction in the size of those districts, which will contribute to closer contact between candidates and their constituents. Which in turn will let citizens get to know their elected official better, and will make the future deputy more responsible.

Society has been fooled before by these party labels, which superficially appear to differ. It is clear that Gaydar, Kovalev, Chubays, Pochinok, Yavlinskiy or Filatov form a single party, the party of those who have succeeded in imposing a harsh experiment on Russia. They are objectively opposed by forces of a socialist, statist and Christian orientation. Yet the camp that opposes the regime is at present artificially divided.

Citizens' votes would in fact go to the broad spectrum of opposition, if the opposition could overcome its dissension. The time has come to revive the moribund plan that was called "Accord for Russia's Sake." We must create a real majority bloc, one that will include everyone from the DPR to the communists, from Glazyev to Rutskoy. I would call it "For Government by the People." If we do not win the 1995 elections, Russia will be doomed to remain in this so-called "transition period."

[Romanenkova] What are you offering?

[Rumyantsev] I am prepared to offer to a broad coalition well thought-out ways of, at the very least, improving the sections of the Constitution that pertain to government, ways of fundamentally revising it.

One of the main (but not the only) flaws in the new Constitution is the gap between expression of the voters' will, the views of the parliamentary majority and the course of the "government party" — the administration and the members of the government,

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who do not implement the policy for which people vote. That is a flagrant violation of the principles of popular government and democratic rule in a republic. Eliminating that gap would be the main thrust of amendments to the Constitution.

[Romanenkova] What can be done with the Constitution now, before the election of a new Duma?

[Rumyantsev] The State Duma already has before it seven amendments, some of which are aimed at eliminating the aforementioned gap. Specifically, an effort is being made to ensure that the president has to have State Duma confirmation not only of his nominee for chairman of the government, but also of the chairman's deputies and the ministers of defense, security, internal affairs and foreign affairs. Incidentally, Yeltsin himself proposed the very same amendment to the draft Constitution back in the summer of 1992.

Consider the Crimea as specific example. The president talks in a message to the Federal Assembly about the need "to define the Russian State's position in accordance with our national interests," yet immediately after Kiev rescinded the Crimean Constitution and ignored numerous expressions of our countrymen's will first vice-premier Soskovets went to Kiev and demonstratively forgave Ukraine a debt of $3 billion for a period of 13 years. Is that in line with Russia's national interests? Yet today the State Duma has no means of influencing actions by the deputy chairman of the government.

Another amendment along the same lines is the institution of personal responsibility on the part of individual ministers. Under that amendment the State Duma could by a simple majority vote express a lack of confidence in an individual member of the government, requiring the president either to fire that member or give the parliament an explanation (or do so via the prime minister).

A third amendment specifies the possibility of parliamentary monitoring of activities by state organs and officials, and grants the right to establish parliamentary investigative commissions whose subpoenas to appear and requests for documents would be mandatory.

Another important amendment states that in cases where presidential edicts violate the Constitution and federal laws, the Constitution or federal laws will be directly applicable. Consider the example of "Russian Public Television." This presidential edict violates Article 29 of the Constitution, relevant sections of the Civil Code and other legal standards.

[Romanenkova] In what other ways is the Constitution being revised?

[Rumyantsev] Another fundamentally new area of improvement in the Constitution will be the creation of a separate chapter entitled "Russia and the Union of States." No integration processes will go forward until the Russian Constitution stops ignoring the obvious fact that Russia today has a near abroad that gravitates toward it. In the future this will be a union of republics. The Constitution should provide an impetus toward restoration of that common space.

Another issue is the creation of standards on matters of finance and budgets, as well as guarantees of and specific mechanisms for budgetary federalism and management of state property. At present the State Property Committee's operations are not guided either by common sense or by the state's best interests. It is simply a committee to break up the state-owned sector of the economy and divide up the property under the table.

But this task is too large for amendments alone. This will require a fundamental revision of the Constitution. And the only way to do that is to have a Constitutional Assembly. Passage of a law governing such an assembly is one of the future Duma's most important jobs. I intend to become deputy in that Duma and there work on legislative issues, and I will consider it my duty to convene a Constitutional Assembly as soon as possible.

[Romanenkova] What is happening with the election?

[Rumyantsev] We should assume, as the president promised in his message to parliament, that the election will take place on schedule. Of course, no one particularly believes him, myself included.

Nevertheless, it is our obligation to ensure that the election is held. And it is not enough just to believe that the Duma will find within itself the strength to pass a more realistic election law. The issue of responsibility for usurpation of authority must also be raised. Article 3 of the Constitution states: "Seizure of power or usurpation of governmental powers shall be prosecuted under federal law." But that has not happened yet. And calls to deny the people their right to take away the mandate to govern from a failed group of individuals are the same as calls to usurp authority.

And so, no more illusions. The enemy is very cynical and strong. But it is the people's duty to make their will into a fist, put their strength to the test and —prevail. Our only duty is to help them do that.

*CP Figure Urges New 'Labor' Constitution

954Q0180C Moscow PRAVDA ROSSII in Russian 18 May 95 p 2

[Interview with Professor Oleg Mironov, RFCP deputy, Duma Legislation and Judicial Reform Committee

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member and doctor of juridical sciences, conducted by Roman Aleksandrov: "Do Not Patch Up the Constitution, Adopt a New One"]

[FBIS Translated Text] [Aleksandrov] Many people claim that all our problems stem from the inadequacy of the Russian Constitution. What changes could be made in it today, and what amendments should be introduced to prevent such crises in the future?

[Mironov] The political situation is on the verge of exploding, but the communist party will do everything in its power to ensure that the political process unfolds within the bounds of the Constitution, even though we did not support this Constitution and feel that it contains many flaws that hamper us in our work as deputies of the State Duma. But we favor legal, constitutional means of fighting for citizens' rights and interests.

However, we must not forget Lenin and the classics of Marxism-Leninism. They said that the law cannot stand above society's economic system. One can use the law to regulate social relations, but the fundamental relations are property relations.

The first stage of privatization, based on vouchers, was deemed by the State Duma to be detrimental to the people, because it resulted in the elimination of public, state and collective property. The second stage of privatization, which was enacted by presidential edict, in violation of the Constitution, is money-based privatization. It is simply larcenous and criminal, because it proposes using money, which the ordinary Russian working person does not have, to buy enterprises and buildings. For whom is this kind of privatization intended? Definitely not for Russia's working people. It is not legislation but rather more fundamental causes which have altered the face of our society and left working people unprotected — it was the collapse of the state-run economic system, it was reorientation toward private property and destruction of everything that was created with the labor of generations of Soviets.

Trying to patch up the Constitution is almost a futile task. If we come to power, we will adopt a new Constitution that will focus on working people.

One of the main problems that will face anyone who would create a new Constitution is the problem of the presidency. We communists feel that presidential government is not a tradition of Russia's history and does not suit the Russian mentality. There will be some hotheads who will point to the autocrats as an example, but if that is the logic used to justify the need for a president, then I could not think of any greater calamity for Russia.

There is a time-honored system in which the people elect a legislative assembly comprised of two chambers. The Russian parliament would form the government of the Russian Federation, appoint its head and confirm cabinet members. Then let them do their jobs independently, periodically reporting to parliament. Why bother with some kind of president/autocrat?!

[Aleksandrov] Do the communists already have their own draft constitution?

[Mironov] We do. And that is what it is called, the Communists of Russia faction draft. I was a member of the team that prepared this document. Under it, Russia would protect citizens' rights and interests, a true system of government by the people would be created, the Russian Federation would be strengthened, and state mechanisms for influencing the economy would be changed. Our economy simply cannot survive at this time without government regulation.

[Aleksandrov] Despite the fact that the law regarding election of the next Duma was rejected by the Federation Council, it passed the State Duma with a two-thirds majority. How will the situation unfold from here?

[Mironov] I would like to remind the president's inner circle of the still-valid, though flawed, Russian Constitution. Article 99, Section 4, states: "The powers of the previous State Duma shall be terminated at the moment a new convocation of the State Duma takes office." So if anyone is trying to delay the elections in the belief that our mandate ends on 12 December, they have figured wrong.

There is another thing that those who favor elections according to the president's schedule should remember. Article 96, Section 2, of the Constitution states: "Procedure for formation of the Federation Council and procedure for the election of State Duma deputies shall be established by federal laws." Laws, not edicts! If the president attempts to reject our draft law and issue an edict on the election, we will appeal that edict to the Constitutional Court. Anyone who is nurturing the idea of postponing the elections or holding them on the basis of an edict should take a closer look at the Constitution.

[Aleksandrov] And so the deputies' seats for federation-wide and single-seat districts are divided up evenly — 225 to 225. Is that an optimum ratio?

[Mironov] When I hear people close to the president criticizing that vote ratio, all I can do is laugh. Because it was precisely according to that formula, as set forth in a presidential edict, that the current Duma was elected. At the time they portrayed that as the highest form of democracy, hoping that Russia's Choice would take a leading position on the basis of the party lists. But

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Russia's Choice lost. And the presidential structures are quite well aware that the communists will win the latest party list fight as well.

Not all that long ago we were electing deputies on the basis of single-seat districts. How today's pseudo-democrats heaped abuse on that Soviet representative system and on the Soviet deputies! Yet now they are recommending elections based on similar single-seat districts, simply because in single-seat districts the races will be decided by money.

At a time when the people are being impoverished it is hard to blame someone who can scarcely afford to buy milk and food for his family if he gets paid by someone and then goes and casts his vote for one of our homegrown billionaires. Around the world the representative system is recognized as being more democratic because it is easier for voters to get to know parties than individuals.

But we must also make greater demands of parties. I submit that the flaw in our law is not that it makes provision for 225 deputies to be elected from party lists and 225 from single-seat districts, but that the lists are not called party lists. Instead, they are called voters' association lists. I have repeatedly proposed that it be stipulated that it is only political parties that may participate in the election process, because they are established for the express purpose of struggling for power within the bounds of the law. When we use a broader term — i.e. voters' associations — we wittingly or unwittingly include in the political process those structures that should not be engaged in politics, artificially politicizing society.

When we have a political party that takes part in elections at the federal level, that party should be a truly Russia-wide party. We have not passed a law on political parties yet, but deputies have been presented with several drafts. These include standards describing a Russia-wide party. These state that a Russia-wide party is a party that has its own organizations in one-half of all the components of the Federation. That is a minimum of 45 party organizations. There must be at least 10 members in each of these organizations. What kind of national party is it that only has 450 members? If the law would raise that threshold and state that a Russia-wide party would have to have at least 100,000 members to be permitted to participate in national elections, then the small parties would not be part of that process. We would be left with four or five strong parties, a number that people could deal with.

*'Voentekh' State Company Activities Viewed

95UM0446A Moscow MOSCOW NEWS in English 12-18 May 95 No 18, p 2

[Article by Alexei Neznayev: "Grachev Thirsts for Trade in Military Hardware"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] "A sheikh of the Arab Emirates invited me to his little island across the desert... And he says: son, thank you for coming, I want to buy weapons from you... I say: I have come for this, here there is the exhibition... Yes, he says, that exhibition! Here is a list and you will give me tanks, machine guns... Here is the list, he says, and here is the sum: four billion — do you have enough room on your plane?... I say: of all things, I do not sell... I promote trade... Now he says: look, send me tanks... But I can't, I am sitting there like a fool..." (from Pavel Grachev's interview with the Itogi TV program.)

In the Beginning There Were Good Intentions

Time will show whether Grachev will get involved in the arms business. In the interview, he was not simply thinking about himself. Most likely, the question was about the department he runs. If so, the "son" has only to strain his memory and remember his own Directive No. D-14 dated February 8, 1993. With this document Grachev entrusted his deputy, Colonel-General V. Toporov, with the task of general coordination in respect of the activities of the Voentekh (military equipment) state company.

The Charter of the Voentekh Co. was registered at the Moscow Registration Chamber on October 15, 1992 (No. 017,936). The company's founders, in bypassing the president's decree regulating military-technical cooperation with foreign countries (No. 507, May 12, 1992), formalized in the charter the right to export weaponry. The Ministry of Finance issued a certificate on the inclusion of the Voentekh Co. into the state register. There is nothing surprising in this if we take a look at the list of persons who stood at the cradle of the creation of the Voentekh state company: V. Toporov (Ministry of Defense), V. Sychkin (State Property Committee), V. Tabeyev (Federal Property Fund), V. Shibayev (Ministry of Foreign Economic Relations), A. Temerko (Committee for the Social Welfare of Military Servicemen), A. Titkin (Minister of Industry).

Created for the sale of the military property released in connection with the reduction of the army, the Voentekh state company began trading its newest samples. Thus, Alexander Korzhakov's report to Boris Yeltsin on the results of the check-up of the Rosvooruzheniye arms-trading company, published in the press, says that in

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1992 Voentekh, "using the services of questionable intermediary firms, took part in the sale to Britain of the latest Russian tank T-80U and the unique antiaircraft missile-gun complex Tunguska."

The talks on this deal, as follows from the materials of the check-up of Voentekh by an interdepartmental commission, were carried out on direct instructions from Grachev's first deputy Andrei Kokoshin and with the participation of the Defense Ministry. At that moment there was no military-technical cooperation between Russia and Britain. But the department of the defense complex and conversion at the government's apparat prepared the text of the president's instruction on consenting in principle to the supply to Britain of the weapons permitted for sale abroad. On October 12, 1992, this instruction was signed under No. 571, and on October 25, the T-80U and the Tunguska left the confines of Russia. One nuance — in 1992 the export of these weapons was forbidden.

Not by Weapons Alone...

Voentekh had no reservations against trade in documents either. On February 27, 1993, Voentekh concluded contract No. 17194445/38401 with the American firm Trident International Ltd. Under this contract Voentekh pledged for a mere $20,000 to acquaint the customer's specialist with the technical characteristics of the Russian weapons planned for sale and the specific features of their operation. And acquaint they did, I should say, although the Americans had never belonged (and will hardly ever belong) to the group of Russian weaponry buyers.

A friend of mine working in the Federal Security Service commented on this contract as follows: "The CIA pays much more to its agents for this kind of services." But Voentekh's queer thirst for the latest development projects does not end here.

In the autumn of 1994, talks were held, with Voentekh's brokerage, between the U.S. Center of Applied Science and Engineering and Russia's Central Research Institute of Chemistry and Mechanics on the questions of research into the field of liquid gunpowder. In September a delegation of American specialists even visited the Zelinsky Institute of Organic Chemistry in Moscow for this purpose and even tried to get into the Institute of Chemical Technology in St. Petersburg. **MN's information: research studies on liquid gunpowder are not liable to development by order from foreign firms.**

When the Russian defense minister publicly complained in an interview with the Itogi TV program that he was not permitted to trade in arms, he was, putting it mildly, stretching the truth.

After the powerful attack launched by the press against the former leadership of Rosvooruzheniye and the return strike (again through the mass media) against the company's new head, the main question has been left unanswered. Why have documents on arms business appeared in the press? Why did it take so long for the materials of the check-up, signed by A. Ilyushenko, head of the presidential administration's Control Board, to make their way to Acting Prosecutor-General A. Ilyushenko?

The answer which is already lying on the surface and which was voiced in the mass media is the following: General Korzhakov has been taking weaponry under his control while eliminating speaker Shumeiko considered to be the godfather of Rosvooruzheniye. If this supposition is at least 30 percent true, every word in Korzhakov's report to the president is as good as gold. The activities of the Voentekh state company, for example, take up a quarter of the report. Korzhakov concludes that Voentekh "for inexplicable reasons is patronized by the top leadership of the Ministry of Defense."

This patronage is so strong that it has enabled the Voentekh company to ignore the decision of the RF Interdepartmental Commission on Military-Technical Cooperation of July 22, 1994, which forbids the company to deal on the world arms market.

***Shumeyko's Vision of Democratic Statehood**

954Q0181A Moscow RABOCHAYA TRIBUNA in Russian 19 May 95 pp 3,4

[Excerpts from article by Vladimir Shumeyko, Chairman of the Federation Council of the RF [Russian Federation] Federal Assembly: "What Kind of State We Are Building"]

[FBIS Translated Excerpt] **In April of this year, it was 10 years since the beginning of "perestroyka," as a result of which a state which existed for over 70 years—the "mighty super-power", the Soviet Union—is no more. There is no CPSU [Communist Party of the Soviet Union]—the power structure and basis of the former Union. The planned, command, economy—the method of existence of centralized totalitarian power—has been destroyed. The "unified community"—the Soviet people—has fallen apart.**

Russia, the state which is the legal successor to the Soviet Union, is faced with the task of newly emerging onto the world market, of finding its place within the system of international division of labor and within the new world order which is being formulated. The fulfillment of this task is impossible without the democratization of the state

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and transformation of the Russian society into an open one.

However, the process of democratic transformations in Russia has barely just begun. The problems arising in the course of these transformations are complex, painful, and unique in their nature. The new executive, representative and judicial organs of power have been formulated according to the new constitution and have begun to act under conditions of the market economy, which is forming as a result of radical reforms and the civil society which is being formulated. [passage omitted]

The formulation of the new Russian statehood presupposes deep-seated changes in the entire system of social relations and principles of society. The class approach to social phenomena and to state construction, which reigned supreme for over 70 years in Russia, is giving way to the process of building the state from the positions of such generally accepted values as democracy, humanism, human rights, citizenship, patriotism, solidarity, social justice, etc.

But in what direction will this process proceed? Is it possible to have a specific Russian model of a democratic state and civil society? What comprises the general and the specific of the transitional period in Russia as compared with other countries of the world community? What is the basic content of the transitional period in which the formulation of new social institutions of Russia is taking place? [passage omitted]

Knowing of the traditionally significant role of the state in the life of Russian society, it is important to correctly identify the strategy of state policy in regard to the creation of prerequisites and conditions for the formulation of a new democratic "market" state. Specifically, the economic activity of the state must proceed from support of those processes which have already proven their economic expediency.

For Russia today it is vitally important for the state to define the priority, strategic directions of economic reforms, and to concentrate it efforts specifically on them. The comprehensive character of changes must be defined by co-existence of the two systems during the transitional period, with a gradual reduction in the activity of the state-administrative system and a strengthening of the second, market system, under the condition of their economic separation during this time. Considering historical traditions, the economy of Russia must become multistructured, prudently combining private, cooperative, collective and state goods producers-owners. Monopolism in any form here is unacceptable. The specific relations between various forms of ownership will be determined by time, by the practical needs of society and by the sympathies of the citizens.

In the future Russia, citizens will achieve real economic independence if they become masters of at least the social product produced by them.

Then it will be primarily the labor owners (owners of products of material production or of the intellectual sphere) who will comprise the social basis for a democratic society. Here we cannot overlook the fact that the market is not an irreproachable self-regulating mechanism ensuring uninterrupted functioning of the economy. For example, the interests of the market may enter into contradiction with the humanitarian interests of society as a whole (with the development of science, culture, education), and surely enter into contradiction with the ecology. Nevertheless, the market is capable of fulfilling a regulatory role in the economy, of establishing rules and limits of competition, of having a definite influence on political institutions and structures of civil society, and of subordinating the behavior of people and state agencies to economic expediency.

A legal, democratic state must establish law and order which stimulates economic activity and stability in society. As a social state, it distributes the means obtained from citizens for financing various activity of subjects of the formulated civil society, taking into consideration its socio-economic and political consequences.

A specific place in the state system must be held by the army, not only as the basis of national security, but as an institution for instilling patriotism, citizenship and courage.

The family must occupy an important role in bringing up future citizens of the new Russian state on the basis of the ideals of democracy and humanism, patriotism and moral purity. The state as well as its citizens are equally interested in strengthening and developing family-marriage ties and a civilized attitude toward freedom of conscience, and in ensuring the adherence to this freedom by each citizen.

In a state which recognizes and respects is spiritual principles, the moral content of life becomes the load-bearing element of the entire power structure of society. Accordingly, the Orthodox Church and other confessions as the spiritual power, along with secular power, must serve as one of the main tenets of national statehood, but must not merge with it.

I understand perfectly well that, on the grey background of current Russian reality, it is difficult to believe that a state based on the ideals of morality, supremacy of laws, good and justice could tomorrow already be embodied into our political reality. Yet we must strive toward such

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a state. And we must be aware of the real difficulties along this path—at least so that, in interpreting its philosophical depth, we no longer fall prey to false stories about our historical past and future.

I also clearly understand that the creation of a full-fledged democratic society in Russia is impossible in the nearest future. Under conditions of underdevelopment of the institutions of civil society, the low level of civic culture and the long absence of the capacity of the Russian people to play a decisive role in public life, an abrupt transition to "democracy without limits," forced restructuring of the economy on a market basis, and harsh decentralization of social administration—all this taken together has already created a social and ideological vacuum, which may once again lead to serious economic and socio-political shocks.

In order for society to function in a stable manner on democratic principles, it is not enough to introduce the external attributes of democracy: Openness, freedom of speech, freedom of the press, freedom of assembly, elections, and creation of political and civic organizations. The main thing is to create a system of management of society, in which its citizens play the decisive role. Only such a system is capable of limiting the omnipotence of the bureaucratic state apparatus and subordinating it to a mechanism of people's power which is democratically formulated, controlled and changed at the will of the citizens.

Therefore, a lengthy transitional period of development is inevitable, under which the organs of the legal state and the institutes of civil society which are being formulated will find themselves in constantly contradictory interaction and mutual influence. During this transitional period, first of all an economic basis for a democratic Russian society must be created—a multistructured market economy, where various forms of ownership will freely compete with each other and have equal legal rights and capacities for development. Considering the specifics of the historical evolution of Russia, along with the private sector the country must also retain a strong state sector and collective forms of economic activity.

The system of political power in Russia will be legitimate, and will find support in the mass public consciousness of Russians only under the condition that it be lawfully formulated; that it base its activity primarily on the consideration of national-state interests and law; that it be fair and strong, and capable of solving the important problems facing the country. Not only will Russian citizens subordinate themselves to such a state power, but they will also recognize its right to ascribe standards and rules of behavior and vital activity to all members of Russian society.

*Chernomyrdin Seen as 'Hostage' to President's Election Bloc

954E0946A Chernomyrdin Seen as "Hostage" to President's Election Bloc

[Article by Mikhail Leontyev: "Prime Minister Turns Himself in as Hostage"]

[FBIS Translated Text] The President has acknowledged almost openly that the initiative of creating "official" election blocs came from him. In fact, there could be no doubt about it: the people in the President's entourage are not authorized to take such steps without appropriate permission. Right after that, official TV programs announced that when Viktor Chernomyrdin and Ivan Rybkin head up their own "right-" and "left-" centrist blocs, respectively, "the leaders of the present opposition will be consigned to the role of armchair politicians [pikeynyye zhilety]."

The idea of having the official media announce comforting things is not new. However, the reality does not look so rosy. Among members of the government, who, according to Viktor Chernomyrdin, are all willing to work in the future bloc, it is basically just the "political" ministers who have doubts about defeat in the upcoming parliamentary elections. To be sure, Mr Kozyrev hastened to correct the Prime Minister, stating that he is taking part in the President's bloc. Because both blocs are considered more or less "presidential," if we rule out Kozyrev's intention to run in Mr Rybkin's bloc, we have to assume that the minister knows something that, for example, the Prime Minister himself doesn't.

The idea of an independent political foray by the Prime Minister could easily have been come into being among his own associates. Viktor Stepanovich is obviously being coy when he says that he is "no politician." He is definitely a politician of the first order, though specifically of the post-Soviet Russian type. Unlike Mr Rybkin, who miraculously wound up right in his place (not every assembly chairman can be an independent executive), the present Prime Minister is a figure who has his own political weight, an independent rating, and a personal base of support. Mr Chernomyrdin is a political person, not a political party. He is not backed by any ideology, or any precise political team. We have to think that this is what has held the Prime Minister back from independent political moves until now.

In short, Mr Chernomyrdin is a figure for presidential elections, definitely not for parliamentary elections. The

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Prime Minister, especially given present personal circumstances, could unquestionably create a team capable of working effectively for him in the presidential elections. But now he will be forced to carry with him, and with his name, a list of outsiders and, presumably, quite casual people in the parliamentary elections.

Only in a nightmare could one imagine what kind of crowd is going to jump into the "Premier's" bloc. Viktor Stepanovich, like it or not, is going to have to repel the onslaught of numerous structures which are "by definition" interested in adding their name to the "Premier's" bloc. This is even smarter than distributing benefits, quotas, and cheap credits. Plus the minions of persons who, for known reasons, cannot be refused. There is no doubt that Mssrs Boyko and Berezovskiy, for example, will wind up among the first ones in that dense mass. And where can you get away from them? If it were not for the happy idea with the parallel "official" bloc of Mr Rybkin, the Prime Minister would have to gather around him all the low-grade products of the market transformation, constituting competition only for Mr Zhirinovskiy. And present himself to the voters at the head of all this.

You have to doubt that the Prime Minister was itching for this role on his own. Plus the fact that the Prime Minister certainly ruled out the possibility of pushing himself as the alternative to the President. We can only assume that, in the long run, the Prime Minister was presented with an offer he couldn't refuse. Plus the fact that the President himself did not necessarily have to know the end purpose beforehand.

The idea is simple: if Viktor Chernomyrdin loses the parliamentary elections it is quite likely, given the parameters, that he will lose his independent political weight and may get utilized later on as higher-level persons see fit. However, if, despite everything, Mr Chernomyrdin does win, there will still be enough time to send him on the path of Luzhkov.

Evidence in favor of this assumption is the report of the coming dissolution of the government's press service. Valentin Sergeyev, the head of the service, is definitely the "Prime Minister's man," and judging by his background he is a loyal man. According to staffers of the press service, certain "financial violations" have been found in his work. It is well known that in our experience, financial violations—especially "certain ones"—are only found where specially trained people want to find them. Because they can be found easily just about anywhere. The government's future information structure, according to information from the suffering press service, will probably be headed by "someone from ROSSIYSKAYA GAZETA." That is, not a "Chernomyrdin man" but somebody who, as "Itogi" announcer Yevgeniy Kiselev put it, is a distinguished specialist in passing out "black marks."

By all parameters, Mr Chernomyrdin's latest and by no means voluntary political initiative poses the threat that we may lose a prime minister who now remains the only guarantee of an economic policy that is not catastrophic.

***National Economic Center Polling Service Election Predictions**

954F2352A Moscow ZAVTRA in Russian May 95 No 19, p 3

[Article by Andrey Kolyev, Sociological Service of the National Economic Center: "Political Solitaire-95: Versions and Predictions"]

[FBIS Translated Text] [Begin box]

AP—Agrarian Party

ARMC—All-Russian Monarchist Center

RC—Russia's Choice

DPR—Democratic Party of Russia

DR—Democratic Russia

CPRF—Communist Party of the Russian Federation

CRC—Congress of Russian Communities

LDPR—Liberal Democratic Party of Russia

NRPR—National Republican Party of Russia

PRES—Party of Russian Unity and Accord

SJP—Social Justice Party

EFP—Economic Freedom Party

RMDR—Russian Movement for Democratic Reforms

RCWP—Russian Communist Workers Party

RSDPP—Russian Social Democratic People's Party

RNU—Russian National Unity

RNA—Russian National Assembly

RUU—Russian Universal Union

RPRF—Republican Party of the Russian Federation

RPSD—Russian Party of Social Democracy

RSDU—Russian Social Democratic Union

RUIE—Russian Union of Industrialists and Entrepreneurs

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RCDM—Russian Christian Democratic Movement (Aksyuchits)

SWP—Socialist Workers Party (Vartazarova)

WR—Working Russia

FCP—Federation of Commodities Producers

CRM—Christian Rebirth Movement

YaBL—Yabloko Movement [End box]

Russian society is once again approaching the line signaling anxious expectations of changes for the better, changes related to the reshuffling of positions on the Mt. Olympus of power—the elections. The victims of "radical reforms" vainly await reprisals against the liars, perjurers, and tyrants. Those who acquired a sense of freedom or obtained material benefits from the "reforms" dream of consolidating their success. Political figures "calculate" the likelihood of victory of one group or another, striving at the same time to fix their own position and avoid being crushed under the wheel of history.

We will try to make certain assessments, borrowing the method of discovering natural laws conceived by D.I. Mendeleyev, the great chemist and philosopher. The role of "elements" in the present-day politics of the Russian Federation is being played not by parties or social segments, but by leaders. It is therefore necessary to write the names of appropriate personalities on the imaginary cards of our political solitaire deck.

Russia's political actuality is far from presenting a simple "right-left" dichotomy. It is necessary, therefore, to spread the cards out not in a row, but in tabular form. Here the placement of personalities close in views—and therefore the decision as to which cards to lay side by side—becomes a matter of taste. Thus, the author does not lay claim to absolute truth, but expects only to touch upon it in his experiment.

A third preliminary assumption consists of the fact that a number of quite influential persons are entirely excluded from the process of the upcoming distribution of power. For them, involvement in a preelection campaign would entail a degradation of social status, along with a very high risk of dropping out of the "framework." In dissociating themselves from the political struggle, they are counting on retaining their influence upon any redistribution of power.

Additional information must be provided on the spread-out cards showing the organizations which are at least to some extent controlled by the applicable persons. In certain instances a political figure has no real organizational support in social movements and must "make friends with" one of his neighbors in the table. In other instances, the names of organizations are not properly known, but such organizations definitely exist.

The results of our game of solitaire are as follows. Liberal democrats and the proponents of "reforms" gravitate towards the lower left corner of the table, the left and bottom borders of the table. Patriots in general gravitate towards the upper border of the table, socialists and communists—towards the lower right corner and right border of the table.

Our research materials "lean," resisting being fit into a rectangular tabular format. Therefore, cards which show a dispersion in the flatness parameter have had to be moved forcibly towards one another, making sure that personalities known to absolutely no one are not introduced into the game.

The composition of the "periodic table" of political elements turns out to be nonhomogeneous. Some "elements" basically comprise only a name. Others entail the force of an actually existing organization. Still others have financial resources as well. Then there are those whose names are known only to "a narrow circle of revolutionaries."

Despite all its deficiencies, the "distribution" obtained is interesting by virtue of the fact that certain evaluations and assumptions can be made on its basis. We can draw additional information, for example, and discover something about the propensity of political figures to enter into blocs and alliances. We will make an effort to identify from our political card configuration certain personalities who might become the centers of crystallization of political influence and of the material resources so necessary in elections.

The most notable consolidating figure is Yuriy Skokov, who has at his disposal CRC patriots, DPR liberals, SWP socialists, and the directive body of the FCP. It is possible that a few youth, trade union, and entrepreneurial structures will join in with this militant position. G. Yavlinskiy has been demonstrating robust opposition towards the existing authority from the liberal orientation. It is Yavlinskiy's aim to inflict a concentrated strike, focusing election campaign efforts on criticism of the government and the president from the position of "true" democracy.

The ambitious B. Fedorov will undertake serious efforts to impede Yavlinskiy's plans. It is hardly likely that these leaders will be able to reach agreement, and they will snatch up votes from one another. Perhaps Yavlinskiy will rely to a greater degree on support from the West, while Fedorov will be more aggressive in playing the liberal patriotic card. In other respects, there will be only financial competition between these two

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rivals in the elections. They are almost equal—virtually a complete lack of their own organizational structures in the regions in combination with their utmost self-confidence, enabling them to mass certain appanage princes of the state hierarchy around them.

Ye. Gaydar (Russia's Choice) and A. Yakovlev (Party of Social Democracy) absolutely must be included in the tug-of-war on the field of liberal values. If they are unable to reach agreement with G. Yavlinskiy or B. Fedorov on a worthy place for their team on the electoral slate (and it will most likely be this way), their common position on the subject of continuation of "radical reforms" will draw them irresistibly together.

Despite the independence of the three liberal groupings, they closely interweave in real life. Using G. Zyuganov's terminology, we can say that we have here a "regiment on the right," "regiment on the left," and a center, plus a light infantry from the remnants of Democratic Russia and the "ambush regiment" of Luzhkov's team. The troop contingent disjointed for the parliamentary elections is entirely capable of rallying together for the presidential election.

Three other figures—Zyuganov, Lapshin, and Zhirinovskiy—represent virtually no more than their own organizations and are not disposed towards uniting in blocs with other aspirants to power. They are relying on their own, still powerful electorate, which supported them in previous elections.

And so, in the coming parliamentary elections we will have several electoral organizations of the proponents of "radical reforms," who are hoping to launch a second round of these reforms in differing versions, two left single-party blocs (CPRF and the Agrarian Party), the moderate patriotic bloc of Skokov, and the two right-liberal blocs of Zhirinovskiy and Rutskoy.

Unavailing are the efforts of Mavrodi to form his own party and ride it to the future parliament. Unavailing are the ambitions of P. Romanov and his attempts to form something of a new national salvation front. Unavailing are hopes of a social-democratic alliance and those of its unofficial leader M. Gorbachev.... Their only hope of rescue lies in attaching themselves to someone and awaiting their opportunity in the presidential election.

Returning to the table, we can predict the bloc interests of the major groupings. Naturally, the "centers of crystallization" will attempt to seize what lies nearby. Thus, Rutskoy is most likely interested in S. Baburin. Moving in with Yu. Skokov are A. Lebed, S. Govorukhin, and S. Glazyev. Yavlinskiy will find S. Shakhray and G. Popov useful. S. Fedorov will prove useful to A. Yakovlev. G. Zyuganov is interested in M. Lapshin. While it turns out that there is simply no one with whom M. Gorbachev can unite.

* * *

The issue "from above" of the order creating the so-called "right-centrist" (V. Chernomyrdin) and "left-centrist" (I. Rybkin) blocs has purposely been left out here. First of all, this step has no relationship to the actual political system, and is simply another phase of the Kremlin's "Byzantine intrigues." Secondly, it is a trap for both Chernomyrdin and Rybkin, and for a number of Moscow political figures and regional leaders. Thirdly, by the time the elections are conducted (if they are conducted), these "blocs" will essentially be happily forgotten. M. Gorbachev has already attempted, during his tenure as president, to ape the American system.

A. Barkashov (RNU)	D. Vasilyev (Remembrance)	V. Klykov (Foundation for Slavic Literature and Culture)	V. Aksyuchits (RCDM)	A. Rutskoy (Power)
N. Lysenko (NRPR)	V. Osipov (CRM)	N. Mikhalkov (ARMC, Culture Foundation)	M. Astafyev (Right Center)	A. Sterligov (RNA)
V. Zhirinovskiy (LDPR)	S. Govorukhin (DPR, CRC)	A. Lebed (CRC)	D. Rogozin (CRC)	S. Baburin (RUU)
Yu. Luzhkov (?)	S. Glazyev (CRC, DPR)	Yu. Skokov (CRC, FCP)	P. Romanov (-)	I. Rybkin (SWP)

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B. Fedorov (Forward, Russia!)	V. Shumeyko (-)	M. Gorbachev (RSDU)	V. Lipitskiy (RSDPP)	L. Vartazarova (SWP)
S. Shakhray (PRES)	G. Popov (RMDR)	A. Yakovlev (RPSD)	A. Volskiy (RUIE)	G. Zyuganov (CPRF)
V. Lysenko (RCWP)	G. Yavlinskiy (YaBL)	B. Yeltsin (-)	S. Fedorov (SJP)	M. Lapshin (AP)
K. Borovoy (EFP)	Ye. Gaydar (RC)	G. Ponomarev (DR)	S. Mavrodi (?)	V. Anpilov (RCWP, WR)

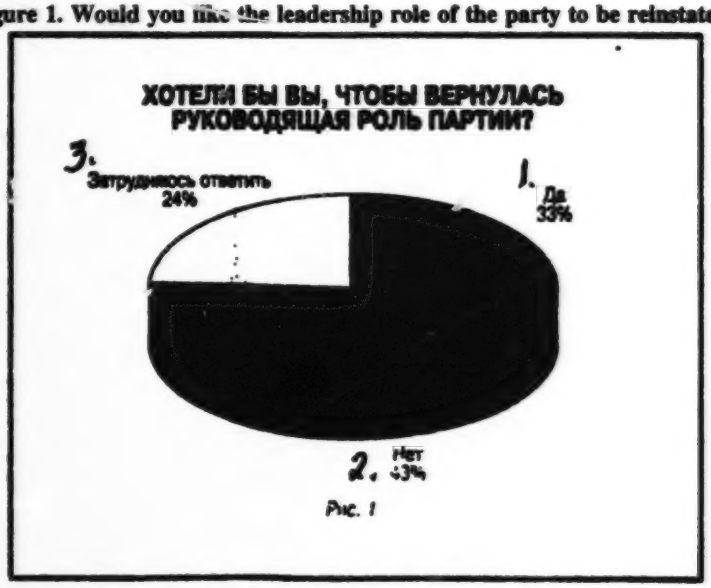
***Poll Finds Nostalgia for Brezhnev, Confusion Over Parties**

954E0962A Moscow SEGODNYA in Russian 7 May 95 p 3

[Results of an all-Russian survey of the urban and rural population conducted by the Public Opinion Fund in April of 1995: "Russians Nostalgic for Leonid Brezhnev and Want Elections; Future Voters Poorly Distinguish Right and Left"]

[FBIS Translated Text]

Figure 1. Would you like the leadership role of the party to be reinstated?



Key: 1 - Yes - 33 percent; 2 - No - 43 percent; 3 - Difficult to say - 24 percent.

Residents of the Central Chernozem and Povolzhye regions answered "yes" more often than "no" (46 and 47 percent versus 35 and 31 percent, respectively). In the other regions, there were more opponents to the return of the leadership role of the party than supporters.

Among Moscow and St. Petersburg residents there were significantly more of those who do not want to return under the wing of the communist party (70 percent versus 16 percent, respectively). However, the lower the status of the city, the more frequently its residents favor the possible return of communist leadership. In the oblast centers, such responses comprised 29 percent, and in the small cities—41 percent (with 31 percent opposed). Rural residents much more rarely speak out against bringing back bygone times than do those who live in small cities. (Among them, 34 percent spoke out "for" power of the communists, and 42 percent "against").

The more well-to-do, younger and more educated the Russian residents, the more often they oppose a return to the communist past in the form of the leadership role of the party.

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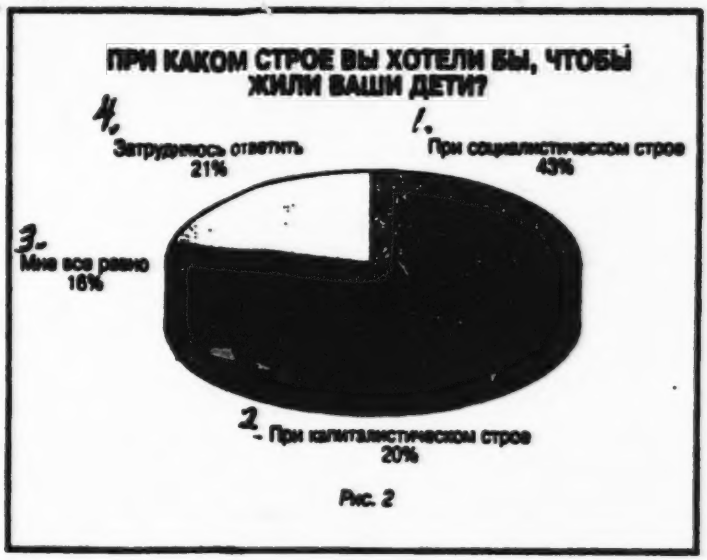
Among students and entrepreneurs there were many more opponents of such a return (65 and 71 percent, respectively) than supporters (4 and 16 percent, respectively). Although one-third (31 percent) of the students have not yet defined their attitude toward this question.

Figure 2. Under what order would you like your children to live?



Key: 1 - Under the socialist order - 43 percent; 2 - Under the capitalist order - 20 percent; 3 - It is all the same to me - 16 percent; 4 - Difficult to say - 21 percent.

Thus, for 43 percent of the respondents the notion of a better life is associated with the socialist order.

Among those who favor the return of the leadership role of the communist party, the majority (79 percent) would like their children to live under socialism. Among those who do not long for a return of the communists to power, 20 percent also want their children to live in a socialist state.

In no region did the number of respondents for whom life is better under capitalism exceed the number of those who preferred socialism. The Povolzhye region had the greatest disparity between the former and the latter. There, almost seven times more respondents preferred socialism (68 and 10 percent, respectively). The residents of Moscow and St. Petersburg chose capitalism somewhat more frequently than socialism (33 and 25 percent, respectively).

The smaller the population center, the more frequently its residents are inclined toward the opinion that it is good to live under the socialist order. In the oblast centers there were 37 percent of such respondents, in the small cities—49 percent, and in the villages—48 percent.

In the answers of respondents to this questions, the same dependence was seen as in the responses to the preceding question. Specifically, young, educated and well-to-do people were more inclined to wish their children prosperity in the form of a capitalist future, while persons who were not young, had little education and were not well-to-do opted for the socialist order.

Young persons (ages 16-24 years) answered more often than other respondents that it did not matter to them what order their children would live under (23 percent).

Students and entrepreneurs chose capitalism for their children (46 and 41 percent), while military personnel and pensioners chose socialism much more frequently than other occupational groups (52 and 59 percent, respectively).

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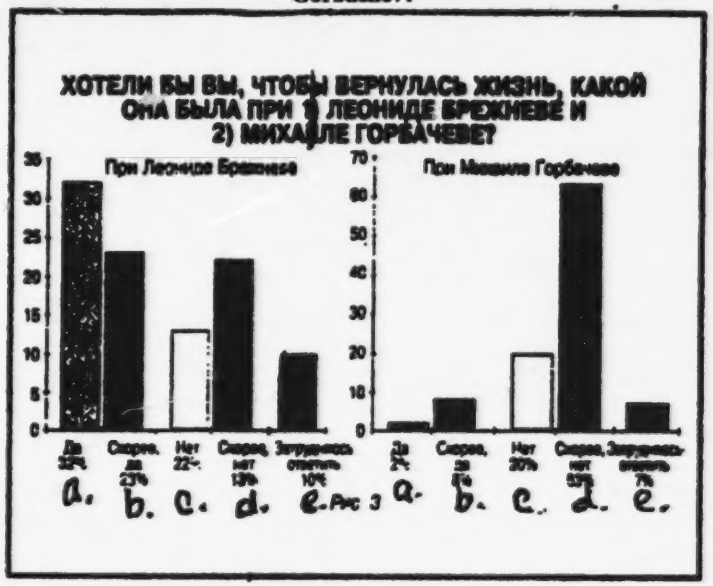
Figure 3. Would you like to see the return of life as it was under 1) Leonid Brezhnev or 2) Mikhail Gorbachev?



Key: 1 - Under Leonid Brezhnev; a - Yes—32 percent; b -Probably yes—23 percent; c - No—22 percent; d - Probably no—13 percent; e -Difficult to say—10 percent; 2 - Under Mikhail Gorbachev; a - Yes—2 percent; b - Probably yes—8 percent; c - No—20 percent; d - Probably no—63 percent; e - Difficult to say—7 percent.

Over a period of several years, sociologists at the Public Opinion Fund have been asking Russians about the time in which they would like to live. The questions were phrased in various ways, but the distribution of responses turned out to be similar: Just as now, in 1992-94 the respondents gave preference to the times of Brezhnev.

Only among the residents of Moscow and St. Petersburg did the majority—59 percent—speak out against a return to life as it was under Leonid Brezhnev. In the other population centers and in all regions of the country there were more proponents of such a return than there were opponents.

The older, less educated and less well-to-do the respondents, the more often they experienced a nostalgia for the times of Brezhnev. And among young people (aged 16-24 years), the number of those who have not defined their attitude toward these times (25 percent) is significantly higher than the average among all the respondents.

Regardless of education, age and level of income of the respondents, they generally do not want to return to the years when Mikhail Gorbachev ruled the country.

Judging by our data, the radical restorationists will not dominate at the polls: Of those who speak out in favor of a return to the leadership role of the CPSU [Communist Party of the Soviet Union], 47 percent intend to participate in the parliamentary elections, and 60 percent in the presidential. Among those who are opposed to this, we observe approximately the same situation (44 and 61 percent, respectively). But since there are still notably more opponents of the "leadership role" than proponents of it, the latter will find themselves in the minority at the elections.

However, the radical progressives who speak out in favor of increased capitalization of Russia may find themselves in an even more impressive minority. And it is not just that there are too few of them as compared with the adherents of socialism. It is also the fact that they are not overly fond of voting: Only 35 percent of them intend to participate in the upcoming elections to the State Duma, while among the "socialists" there are notably more (47 percent) such intended participants. It is true, the "capitalists" have a more responsible attitude toward the presidential elections (56 percent have announced their desire to participate in them), but here too they yield to the "socialists" (61 percent).

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Thus, we may believe that among the active voters it is today the moderate and radical restorationists who set the tone (the latter, obviously, are in their majority numbered among the "socialists" and "capitalists"). This is confirmed also by the data on the proposed electoral activity of the proponents and opponents of restoration of Soviet rule, which in the eyes of its current adherents most likely symbolizes the former stability of everyday existence, and certainly not the merging of the legislative and executive branches of power. This activity is approximately equal: The former have a slightly more interested attitude toward the parliamentary elections (45 percent intend to participate in them, while 43 percent of the latter intend to do so), while the latter are more interested in the presidential elections (59 and 63 percent, respectively). However, if we recall that Soviet rule has clearly more proponents than opponents, then the advantage of the restorationists will appear quite obvious.

Figure 4. Do you think the parliamentary elections in Russia should be held at the time specified in the constitution—December of this year, or would it be better to postpone them?

Key: 1 - In the time specified in the constitution - 56 percent; 2 - Postpone - 14 percent; 3 - Difficult to say - 30 percent.

Regardless of place of residence, sex, age, education and social status, Russians are inclined toward holding the elections at the time stated in the constitution. It is true, among students and entrepreneurs there is a somewhat higher relative share of those who would like to postpone the time of the elections (21 percent each).

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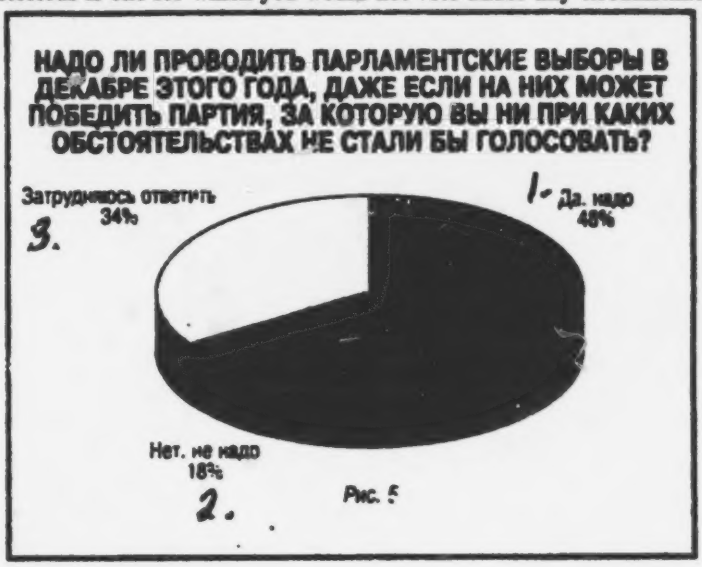
Figure 5. Should the parliamentary elections be held in December of this year, even if the party which is victorious is one for which you would not vote under any circumstances?



Key: 1 - Yes, they should - 48 percent; 2 - No, they should not -18 percent; 3 - Difficult to say - 34 percent.

Among the proponents of holding the parliamentary elections in December of 1995, the majority (78 percent) were in favor of holding the elections even in the case of a possible victory of a party which did not suit them.

One in ten respondents (9 percent) spoke out against the elections under these circumstances, while 13 percent found it difficult to say.

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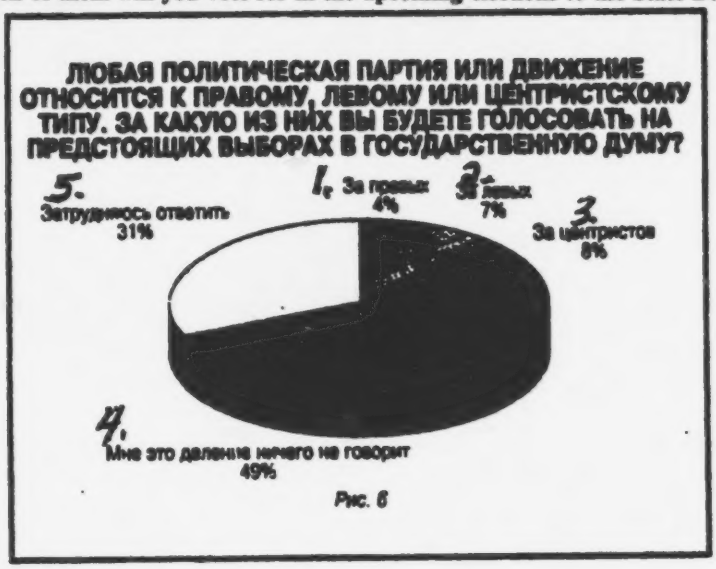
Figure 6. Any political party or movement may be related to the right-wing, left-wing or centrist type. Which of them will you vote for in the upcoming elections to the State Duma?



Key: 1 - For the right-wing - 4 percent; 2 - For the left-wing -7 percent; 3 - For the centrists - 8 percent; 4 - This classification tells me nothing - 49 percent; 5 - Difficult to say - 31 percent.

In the Volga-Vyatka region, only one-third of the respondents (31 percent) did not understand the division of the parties into types, and there were significantly more of those who defined themselves here than there were in other regions (40 percent): Almost one in four respondents (24 percent) was ready to vote for the left-wingers, 13 percent for the centrists, and 3 percent for the right-wingers.

In Moscow and St. Petersburg there were 2-3 times more respondents who were ready to cast their votes for a party of one type or another as compared with the province (in the capitals there were 45 percent of such respondents, in the oblast centers—20 percent, in the small cities—18 percent, and in rural areas—15 percent, respectively). Among the residents of both capitals, 16 percent were ready to vote for the centrists, 12 percent for the left-wingers, and 7 percent for the right-wingers.

The respondents were asked to answer three questions: **1) "Which of the listed parties do you consider right-wing?"; 2) "Which of the listed parties do you consider left-wing?"; 3) "Which of the listed parties do you consider centrist?".** Any number of responses could be given to each question.

Responses of those who would like to vote for right-wingers (in %):

	Parties attributed to:		
	right-wing	left-wing	center
Agrarian Party of Russia (M. Lapshin, Z. Zaveryukha)	15	20	8
"Forward, Russia!" (B. Fedorov)	20	7	23
Democratic Choice of Russia (Ye. Gaydar)	34	16	16

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	Parties attributed to:		
Democratic Party of Russia (S. Glazyev)	7	16	7
"Women of Russia" Movement (Ye. Lakhova)	16	5	16
Communist Party of the Russian Federation (G. Zyuganov)	16	33	3
Congress of Russian Communes (Yu. Skokov, A. Lebed)	8	11	3
Liberal-Democratic Party of Russia (V. Zhirinovskiy)	26	30	5
National-Patriotic Movement "Derzhava" (A. Rutskoy)	15	23	7
Party of Russian Unity and Accord (S. Shakhray)	7	10	13
"Yabloko" Social Movement (G. Yavlinskiy)	15	8	21
This classification tells me nothing	5	7	7
Difficult to say	7	16	30

All the parties and movements existing in Russia were attributed in one degree or another by the proponents of the parties both to the right wing, and to the left wing, and to the center. However, even with such a breakdown, there were a number of parties which the respondents more or less unanimously related to some single type.

Supporters of the right wing most often attributed:

To the right wing—Democratic Choice of Russia;

To the left wing—Communist Party of the RF, "Derzhava" Movement, Agrarian Party, Democratic Party of Russia and Congress of Russian Communes;

To the center—"Yabloko."

The other parties were, with almost identical frequency, attributed by right-wing supporters to two types: Liberal Democrats—both to the right and left wings; "Forward, Russia!" and "Women of Russia"—both to the right wing and to the center; PRES [Party for Russian Unity and Accord]—both to the left and to the center.

It was most difficult for respondents to classify the centrist parties (30 percent found it difficult to respond).

The three indicated questions: **1) "Which of the listed parties do you consider right-wing?"; 2) "Which of the listed parties do you consider left-wing?" and 3) "Which of the listed parties do you consider to be centrist?"** were answered also by those who intended to vote for the left-wingers.

Responses given by left-wing supporters (in %):

	Parties attributed to:		
	right-wing	left-wing	center
Agrarian Party of Russia (M. Lapshin, A. Zaveryukha)	17	23	11
"Forward, Russia!" (B. Fedorov)	17	15	14
Democratic Choice of Russia (Ye. Gaydar)	29	17	15

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	Parties attributed to:		
Democratic Party of Russia (S. Glazyev)	14	12	11
"Women of Russia" Movement (Ye. Lakhova)	8	7	23
Communist Party of the Russian Federation (G. Zyuganov)	22	51	5
Congress of Russian Communes (Yu. Skokov, A. Lebed)	9	5	10
Liberal-Democratic Party of Russia (V. Zhirinovskiy)	35	20	5
National-Patriotic Movement "Derzhava" (Z. Rutskoy)	14	22	8
Party of Russian Unity and Accord (S. Shakhray)	12	3	23
"Yabloko" Social Movement (G. Yavlinskiy)	4	18	24
This classification tells me nothing	3	4	4
Difficult to say	10	2	24

Like the proponents of the right-wing parties, the proponents of the left wing ascribed each of the existing parties to different types and, like them, experienced the most difficulties in determining the centrist parties (24 percent found it difficult to respond).

The positions of the "leftists" differ from the positions of the "right-wingers." While the "right-wingers" are inclined toward calling the party of Zhirinovskiy left-wing, the "leftists," on the contrary, want to attribute it to the camp of the right-wingers, and together with it—also the party of Gaydar.

To the left-wingers they ascribe the Communist Party of the RF, the "Derzhava" Movement" and the Agrarian Party of Russia, and to the center—"Yabloko," "Women of Russia" and PRES.

The other parties and movements were ascribed by the respondents to different types with equal frequency: "Forward, Russia!" and the Democratic Party of Russia—to all three types at the same time, and the Congress of Russian Communes—to the right wing and to the center.

*Industrial Party Chairman on Plans, Challenges

954E0978A Moscow DELOVOY MIR in Russian 13 May 95 p 2

[Interview with V. Shcherbakov, by B. Krotkov, under rubric "New Party: "The Time Has Come To Cultivate and Multiply"]

[FBIS Translated Text] **Vladimir Ivanovich Shcherbakov does not need any special introduction. In the last USSR government he occupied the position of first vice-premier. Then he became a successful businessman. At the constituent congress of the Russian United Industrial Party (ROPP) that was held recently, he was elected as the chairman of the party and its Supreme Council. DELOVOY MIR political commentator Boris Krotkov has a conversation with him.**

[Krotkov] I remember August 1991: the unsuccessful attempt by the members of the GKChP [State Committee for the State of Emergency] to change the course of events in the country; the government's resignation; and your words, Vladimir Ivanovich, that you would not engage in politics anymore. And you actually did leave the political scene. However, currently you are not simply a member of a new party, but its leader. Why do you need this? After all, to the best of my knowledge, everything in your life is currently going very well. Your business is flourishing.

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[Shcherbakov] I also recall August 1991 and the government's resignation. On that day I was en route to the Sovmin [Council of Ministers] dacha, and my driver told me, "Vladimir Ivanovich, you will not have a car tomorrow. You will be going to Moscow by commuter train." I arrived at the dacha, and my wife met me with the words, "You got a telephone call from KhOZU [Administrative and Supply Management]. They told me we will have to leave the dacha tomorrow. We have to free it." I sat down on a bench and began thinking about what life would be like in the future, and what I would have to do. And I told myself: I'll get by! Because I'm not an *apparatchik*. I'm not some kind of official. I've worked not only in the government, but also at a plant. For half my life I worked at AvtoVAZ in Togliatti. In Naberezhnyye Chelny I was the director for economics at KAMAZ. True, I had not accumulated a lot of money — all I had in my savings book was 7000 rubles. I did not have my own dacha or my own car. It was then that I made the decision to get out of politics and get a real job.

[Krotkov] And now, all of a sudden...

[Shcherbakov] It's not all of a sudden, but after long and difficult reflections. It might be more accurate to say that life itself has forced me to act this way.

If you yourself do not want to engage in politics, then politics engages in you.

[Krotkov] Yes, our life nowadays does not let us become bored. Although, incidentally, various figures evaluate it differently. How does life look to you?

[Shcherbakov] We are experiencing one of the most dramatic moments in Russian history. And one of the most dangerous: Russia has been paralyzed. We are suffering from a paralysis of the will, of national dignity, and of our state system. In our party's platform it is pointed out the threat of the complete collapse of production has never been as great as it is today; the threat of the loss of national self-awareness, of the disintegration of culture, morality, and the family, has never been as great as it is right now. We were told that it is only under market conditions that labor can be evaluated properly. But what do we have? Honest labor not only has not become a value, but it has lost all meaning. We expected an upsurge of creativity and spirituality, and what we got was a degradation of conscience and the sense of duty. There has been a degradation of occupational skill, of science, and the nation's talent. The course being conducted by the monetarists is directed against our basic rights as a nation, against the right to develop the fundamental sciences and science-intensive production, against our right to economic, military, and technological security. That is why I returned to politics.

[Krotkov] Unwillingly one remembers Chernomyrdin's statement, that has become a catch phrase: "We wanted to get a better life, but what we got was like it had always been."

[Shcherbakov] Speaking of Chernomyrdin. The current government is one of the most professional ones we have had in the past five years. But the unfortunate thing is that it is closed for discussions. The only thing that it is proceeding to is the holding of expanded sessions with the inviting of representatives from the regions. But that is similar to the old meetings of party economic activists: a report is read, then it is discussed, something is proposed, something is criticized, but nevertheless the things get moving in the way that has been previously planned.

[Krotkov] Let's talk a bit about the party that you have headed. A party is always an organization of people sharing the same ideas, people who have united for the purpose of carrying out a single policy. For the carrying out of what policy, on what basis, was the Industrial Party created? What are its goals and tasks? Whose interests does it represent?

[Shcherbakov] I shall begin with what I consider to be the most important thing. The first and most obvious thing is that the time has come to recreate a political center in Russia. In a country where the radicals and the irreconcilables continue to dominate and to play the first fiddle, there will never be any stability, any civilian society, or any market economy. Russia needs a party of stability, a party of common sense.

[Krotkov] And you feel that your party can perform that task?

[Shcherbakov] Yes! The fact of the matter is that the parties that exist in Russia are chiefly oriented toward implementing completely concrete political-economic concepts for organizing society. The concepts are Communist, with certain elements of social democracy; or liberal; or democratic; or national-patriotic. Each of those models has its pluses and minuses, but the Achilles heel of the supporters of those people consists in that lying at the base of all their approaches are the *a priori* cornerstones of a particular political concept, and principles that "cannot be waived." Everything is measured not against people's real life, or against the real economics, but against the postulates of theory. Economics is becoming a hostage of politics. As a result, the entire population and the entire country are becoming a field for the implementation of political concepts and of the-

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oretical experiments, in the course of which, once again, the attempt is being made to form someone out of us.

[Krotkov] But how can it be otherwise? If, of course, one stands on class positions. Today it is not fashionable to say this, but there always was a confrontation among the classes, there is now, and there always will be, possibly for some more centuries. And each party, if it wants to become a real force, must express the interests of a particular, specific segment of the population, of a particular class. Don't you agree with me?

[Shcherbakov] I adhere to another point of view. The chief task, the basic task, of the Industrial Party is the rebirth of the state's industrial might. That is, our goal is not purely a political one, but also an economic one. It is of no importance to me what our descendants will call the powerful economy of a great Russia: socialist, Communist, capitalist, liberal, or something else.

[Krotkov] I am afraid that our descendants will call your party one without a principle.

[Shcherbakov] I am convinced that that will not happen. Because, what do my words mean? Only that we previously reject any theoretical dogmas the stubborn implementation of which will once again lead the economy and people's life down a blind alley.

There does exist one dogma to which I adhere. I am decisively against any political principles that hinder the rebirth of the industry or the economy, that hinder the rise in the nation's standard of living, or the development of the Russian state system. The only "isms" that I recognize are patriotism, realism, rationalism, and pragmatism.

[Krotkov] But there are those who speak differently about the goals that you are pursuing. Your party is called the "party of directors," or "the party of revenge." People say that the organizing of the party is the "last and decisive fight" by the old *nomenklatura*, backed up by the VPK [military-industrial complex].

[Shcherbakov[I'm familiar with statements like that. They are unjustified. We do not want any return to the old state system, to state economics, and we shall not allow that. We are not a party of revanchists. We are not a party of the complete negation of the democratic and economic reforms of the past ten years. We are a party of common sense, of reasonable creators, a party that unites in its ranks the creators of material and spiritual values, those who possess the knowledge, experience, and moral and professional authority that are necessary for restoring production, for guaranteeing the high effectiveness of the economy, and for providing jobs, prosperity, and confidence to the population. The real professionals — the managers and entrepreneurs, bankers, financiers, engineers, scientists, and other organizers of production — must finally seize the political initiative from the numerous new Talmudists, dilettantes, and adventurists who are getting "ratings" and political capital from our national tragedy. And if, in the ranks of the creators, there prove to be more directors and entrepreneurs, that is, those who are usually called strong economic managers, than there are people of other occupations, then they will only reflect the real role of those people in the economy and in the state. It is a virtue of the party, it is testimony to its real influence on the life of society. People like that have no intention of ruining the economic managers. The ones who are generally used for that purpose are former teachers of Marxism and CPSU Central Committee workers.

[Krotkov] Incidentally, what was the makeup of the delegates to your constituent congress?

[Shcherbakov] Thirty percent were new-wave entrepreneurs; 20 percent, workers in the banking and financial sphere; 15 percent, representatives of science, education, and culture; 35 percent, enterprise directors, including approximately seven percent from the VPK.

[Krotkov] Today, in certain circles, it has become the norm to depict the Soviet past in black terms. What is your view of the seven Soviet decades?

[Shcherbakov] From the historical point of view, the models of administration of the state, the economy, and society that were used in the USSR proved to be models leading the country down a blind alley. But that definitely does not mean that everything that happened in our history during the Soviet era should be depicted identically in the black terms that the entire life of our fathers and mothers, as well as our own life, was thrown under the wheel of history, and that everything that we achieved in that life proved to be meaningless.

[Krotkov] But why, in your opinion, have we not been successful with the reforms of recent years?

[Shcherbakov] First of all, because what lay at their basis were not economic or social goals, but purely political ones. Our reformers were activated by the same idea of the "complete destruction of the old world." What lay at the basis of their actions was the illusion that decisiveness, rapidity, and persistence in destroying the old automatically guarantee incentives for creating the new. The false ideology of confronting the old always and everywhere, the principles of the all-encompassing denial of the role of the state and historic traditions, have led us to the brink of the destruction of the economy. The economy has become the absolute hostage of neo-Bolshevik policy. Instead of reforms to benefit the econ-

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omy, we got the collapse of the reproduction of the national wealth and the degradation of industry. Instead of freedoms and individual rights, we got "Pugachevism" and "Russian Willism," and rampant crime and corruption. During a four-year period the gross product in the industrial branches dropped by 40-70 percent. People's standard of living fell catastrophically. A tremendous number of people have been deprived of work or means of existence. The concealed unemployment is as much as 10 million persons. Russia's economy has been thrown back by decades. The production potential of the branches is on the brink of technological destruction. And, unfortunately, one can even add onto that list.

[Krotkov] But isn't it possible that things will now improve? I have in mind the implementation of the government's three-year program that was recently approved by the Cabinet.

[Shcherbakov] The concept of that program contains a large number of positive ideas and approaches. But it also contains much that it is difficult to agree with. As well as ideas that one ought to fight against.

[Krotkov] Could you please be more specific?

[Shcherbakov] First of all, one thing that evokes doubt is the assertion that in our country inflation is engendered by too large an amount of money in the national economy. I think that the cause of the sickness has been established incorrectly. Today our inflation is engendered not by the fact that there is too much money, but by the fact that there is a reduction in production everywhere. It is precisely the catastrophic collapse of the technologically interrelated reproduction of the national product that results in an unpredictable rise in prices, the decrease in the population's real income, the chronic deficit in the budgetary systems, and the inflation of expectation. Inflation like that cannot be stopped by monetaristic methods. Every compression of the monetary massy and every suppression of inflation is inevitably followed by a reduction of production. Once it gets into that vicious cycle, our industry, which was constructed for the purpose of supporting a directive type of economy, rather than a market economy, cannot get out of it on the basis of monetaristic concepts. Inflation is an innate flaw of the specific construction of an in-kind economy, in which what predominates is narrowly specialized production that is oriented on intraproduction consumption and military needs.

In the entire volume of industrial production in 1990, only 18 percent of the output was intended for the public. That inflation, which is concealed but tremendous in its dimensions, was dampened by the "petrodollars" and rigid state monitoring of redistribution and income.

[Krotkov] Putting it more succinctly, the root of the evil and the basis of inflation lies, in your opinion, in our Soviet history and in the specific structure of the productive forces of the former USSR.

[Shcherbakov] In the fact that the concentration and specialization of production were brought to the point of absurdity. The entire country was viewed as a single plant operating for itself and for defense needs. The Council of Ministers and all the ministries were inevitably converted into the plant's board of directors, planning and guaranteeing the production at that tremendous plant, and redistributing the financial and commodity flows.

The complete rejection of the old forms of state regulation and redistribution without the introduction of new ones; the destruction of the economic ties among the former republics and among the enterprises; their unsystematic respecialization, as weil as, not infrequently, the simple closing down of them; and the sharp fiscal reorientation of all the financial flows led to a situation in which the accumulated inflation burst out like steam from a boiler.

At the basis not of ostentatious pressure, but of the real stopping of inflation there must lie measures that make it possible to carry out the rapid restructuring of the productive forces, the conversion, retooling, and respecialization of many enterprises. If this is not done, then within a very short period of time Russia will become a colonial appendage of foreign states, a base of cheap manpower and cheap raw-material resources, and a graveyard for harmful waste products. This process is already building up force today. It can easily be seen in the example of metallurgy, when our aluminum, steel, and copper-smelting plants are operating chiefly on the basis of tailings, are sinking deeper and deeper into that swamp, are lagging behind more and more in technical development, and are getting closer and closer to bankruptcy.

Crude oil is being exported at a time when the refineries and petrochemical enterprises are being shut down. The situation is even worse in the timber, food, and metal-working industries. Radio electronics, machine-building, the mining, coal, and light industry are on the brink of destruction. The country's economy is consistently changing over to the import of output that it is capable of producing itself. These and many other facts attest to the serious miscalculations and the poorly thought-out and uncoordinated nature of industrial policy in Russia. One cannot recognize as being correct an economic and industrial policy with which it is more profitable to export raw materials from the country, rather than finished output. We can no

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longer reconcile ourselves with that situation. What we need is a new economic and industrial policy.

[Krotkov] Could you please define the orientation markers in that policy. How do you see them?

[Shcherbakov] The basis of the policy for which our party will fight must be intelligent protectionism, the patronage of our national industry. By that one understands not petty guardianship or the granting of benefits and privileges. It means the creation of conditions for rebuilding the national industry, the providing of assistance to it in carrying out the restructuring, conversion, and technical retooling. The protection of its interests in the foreign and domestic market. In this sense the first-priority task is the developing of a credit-and-finance policy that proceeds not only from purely fiscal interests, not only from narrowly financial budgetary criteria, but also from broader economic and social interests.

[Krotkov] I understand that you intend to fight for a radical change in the taxation system. In what direction?

[Shcherbakov] The government's concept stipulates the reconsideration of that system in the direction of reducing the amount of taxation. And that is correct, because the size of the current taxes is ruinous for domestic industry. But tax reform cannot be reduced to changing only the amount of taxation. What we need is not the improvement of the system, but its profound reform, the formation of a qualitatively different system.

The economy is in a crisis. In this situation it is especially important who is the basic taxpayer, who is capable of preventing the budget from crashing down, and taking the state with it. In the system that exists today, the basic tax burden is borne by industry. The volumes of industrial production are falling, and the income of the public and the budget are falling with them.

In the attempts to restore the total amount of budgetary income, there have been increases in taxes and the direct and indirect assessments from those enterprises that are still living, and these increases are becoming absolutely impossible for them. Tax evasion and the concealment of income are beginning on a massive scale.

[Krotkov] There is also a side effect: a fertile environment is being created for the shady economy, crime, and corruption.

[Shcherbakov] Under these conditions, in our opinion, the center of gravity in taxation should be shifted to new sources of budgetary income. Practically speaking, there are only two items that can become such taxpayers. The first is raw-material resources — petroleum, gas, and ore, that can be taken not from the profits or turnover of the petroleum and gas-producing companies, but from the reserves of nature in the form of payment for the use of resources. I think that this is the only thing that today is capable of guaranteeing the necessary proceeds paid into the budget and that will enable industry to accumulate investment funds.

There exists another taxpayer — the population. In today's scheme, the budgetary system is in an absurd position. On the one hand, the state, basing itself on the erroneous theory of the suppression of inflation, is using all means to restrain the public's income, including the atavistic tax on income in excess of the average wage. Putting it more simply, the state is preventing those who are still working from earning any more. On the other hand, it is impossible to increase the proceeds paid into the budget when unemployment is growing and the income derived by the economically active population is growing more slowly than the inflation is. As a result of this ostrich policy, in the first quarter of this year we observed the absolute record during the ten years of *perestroyka* and reforms. During one quarter alone, real wages fell on the average by 35 percent. The more that people earn, they more proceeds will be paid into the budget.

The tax system must be aimed at encouraging the production of a finished product. Throughout the world, the more complicated output a firm produces and the more technical-scientific achievements and know-how are employed in the production process, the more successful that firm is. But in our credit-finance and tax system, everything is done in exactly the opposite way. That system is constructed in such a way that it is more profitable to export aluminum, copper, and steel ingots, than to export shapes, sheet metal, or cable. It is more profitable to export rawhides and sunflower seeds than to export shoes and safflower oil.

An intelligent policy forms the conditions for assuring that it is profitable to import into the country what is not being produced in it, and it is unprofitable to import that which the national industry is capable of producing itself. In our country, however, the import tax on television receivers, VCR's, computers, telephones, washing machines, and refrigerators does not exceed 20 percent, whereas the tax on the components for them is 60-80 percent. At a time when the market is overstocked with domestically produced vehicles, the tax on importing foreign ones is dropping, and in a situation when there is an absence of many types of modern equipment that is acutely needed for conversion and retooling, a tax on importing it is being introduced.

[Krotkov] What do you intend to do in the credit and finance sphere?

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[Shcherbakov] That sphere also requires the introduction of profound and balanced reforms, and the redirection of attention, aimed at providing incentives for production and investments.

It is easy to understand that credit at 200-250 annual interest, for a three-month period, can be assumed (and even that is with difficulty) only by an enterprise with a very short production cycle, where the percentage of the added value is not great. But then it turns out that enterprises with a prolonged cycle, with a greater volume of added value, and, consequently, primarily the science-intensive, technologically complicated production entities, are doomed to extinction.

It is understandable that a necessary condition for retooling, redesigning, conversion, and restructuring is the possibility of access to long-term credit, and it is just as understandable that in this process an enterprise that is in a crisis situation cannot pay off that credit every month. In today's situation, practically speaking, there are no enterprises that are capable of carrying out conversion, retooling, or respecialization at the expense of their own financing, or that are capable of accumulating investment resources from the production process itself. Under the existing credit-and-finance conditions, according to the Goskomimushchestvo [State Committee on the Administration of State Property] methodology, 80 percent of our enterprises are in a state of actual bankruptcy.

[Krotkov] The government's program stipulates the attracting of a large amount of banking and private capital for investments. Do you agree that this is correct?

[Shcherbakov] Yes, I do. But that means that it is time, in the practical situation, to re-examine the system of taxing banks, including changing the reservation system. All the state agencies and the Central Bank must operate as a single team to carry out the practical implementation of the tasks of changing over from survival to investments. However, although four months of the year have already passed, no concrete actions are visible. Moreover, the fiscal directedness of all the mechanisms is intensifying. For example, recently the reserving of currency balances was introduced, and this actually is bringing most of the banks to the brink of financial ruin and is aggravating the problem of nonpayments.

This attests to the fact that a mechanism for the practical implementation of investment policy in the state has not been developed and has not been balanced, and the interest that continues to be the main one in the entire credit-finance and tax policy is the narrowly fiscal interest.

Understandably, there is no money in the budget. Therefore it is especially important that everything that has been successfully scraped together must be used with the maximum effectiveness. There are two fundamentally different approaches. In the first instances, the government itself selects where, in what specific project, to invest the money, and acts as the direct investor. In the second, it develops the investment market and creates an infrastructure that promotes investment and that encourages the activity rate of the entrepreneurs and banking capital. It is understandable that in a social sphere that is incapable of paying for itself, it is the duty of the state to act in the role of direct investor. It continues to be necessary for us to develop education, public health, culture, science, and a material base for the other budgetary branches.

[Krotkov] People say that in the world today there is more than $100 billion of available money for investments. That money is not coming to Russia. What do you think is the reason for this?

[Shcherbakov] First of all, it is because of the high political risk. I include in this concept not only the high danger of social and political upheavals, but also the unpredictable changes in legislation, the nonconvertibility of currencies, and the lack of an investment infrastructure. We shall not move far ahead unless we resolve these questions. It is high time for the ultrapatriots to understand that we cannot, under today's conditions, provide the necessary influx of investment money from the production process itself. We need fresh money, coming in from the outside. And it is not simply money that we need. We need new technologies, know-how, new equipment, new production organization, new management, and new marketing. The only way out of this situation lies in the broad development of international cooperation. Therefore, in addition to improving the legislation, which is something that we shall fight for as we try to win places in the forthcoming election, we shall be in favor of developing a market infrastructure that guarantees the providing of services for investments, and primarily the developing of a system of insuring the political risks.

[Krotkov] Something else that requires qualitatively new approaches is privatization. Do you have any clear thoughts on that score?

[Shcherbakov] I do not want to dwell on an analysis of the first stage of privatization. After a fight, you shouldn't wave your fists. Today it is necessary to think about what we should do next. There are two paths. The first is to continue the populist line, that pursues chiefly political and fiscal goals; the other is to use the monetary stage to form an actual owner. That is,

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the kind of person who will prove to be capable of being not simply a share-holder, but also capable of guaranteeing the development of production. Here I would like to support the government's line aimed at the accelerated development of investment competitions and the transferral of state blocks of shares also to a trust administration for whoever is capable of bringing in new technologies, new management, new production organization, and new markets. For those who are capable of attracting additional funds and organizing the investment process.

Without a doubt, our salvation lies primarily in the liberation from mysticism and the verbiage that is linked today with the word "reform." Everything that we do must be correlated not with the word "reform," but with the country's strategic interests, and with people's vital interests. It must be assumed that the reforms that led to the lowering of the standard of living for a considerable part of the population to one-fourth or one-third of its previous level cannot be recognized as being successful or correct. When carrying out reforms in the interests of the nation and the state, one must not proceed from the assumption that a certain form of ownership contains within itself a miracle only because that form is new for us. We must not destroy in the state sector that which does not exist in the private sector and will not exist there in the near future. No one destroys an old road until a new and faster road has been built alongside of it.

[Krotkov] Let's return to the forthcoming election. How have you perceived the initiatives of Chernomyrdin and Rybkin for creating electoral associations? What do you think encouraged them to take that kind of step? Will your party enter a bloc with one of those associations? If yes, on what terms?

[Shcherbakov] For the time being, I shall not answer that...

[Krotkov] How shall we end our conversation?

[Shcherbakov] The time has come to say: it is time to stop taking away and dividing. The hour has come to cultivate and to multiply.

Project To Restructure Political System

954F2322A Moscow MOSCOW NEWS in English 5-11 May 95 No 17, pp 1-2

[Article by Lyudmila Telen, MN deputy editor-in-chief: "The Party of Power Enters the Ring"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] "Russia Is Our Home" is the name of the electoral bloc that Premier Viktor Chernomyrdin intends to establish. The name of Duma Speaker Ivan Rybkin's bloc is still unknown.

It should be said that there is nothing new in the project to radically restructure the Russian political system if we look at the American experience. The plan is the following: to unite the majority of the existing parties into two large blocs — pro-governmental and permissibly oppositional. On the basis of the two parties, parliament and eventually the government would be formed. It will most likely be a coalition government, while extending the principle of coalition downward to all executive structures. The model's quality remains a subject of dispute among political scientists. However, no one is willing to translate it into reality. Now the zealots have been found. Among them are the MPs Sergei Shakhrai and Vyacheslav Tikhonov; Sergei Filatov, the president's chief of staff; Georgi Satarov, an aide to President Boris Yeltsin; and several others.

The Premier Makes the First Move

Generally speaking, the idea of creating large electoral coalitions did not attract only these politicians. In the past month or two consultations about this were conducted by practically all party and movement leaders. Of course the presidential and governmental administrations were both aware of this. According to all logic, the issue concerned only the moment when the higher-ups were to join in this process in order to intercept the initiative. If it were too early, the potential allies would be scared away; if it were too late, the government would be lost. When then?

It looks as though zero-hour came as a surprise to many participants in the behind-the-scenes process. The premier was the first to take the floor and, according to Interfax, announced the creation of a bloc of left-center orientation. The president quickly supported him, having creatively developed his thought: Chernomyrdin's bloc would be known as right-centrist, and Rybkin's would be known as left-centrist.

One can only imagine the reaction of the project creators and executors. Now they had to explain which of them intended to be on the right and on the left, as well as settle the scandal surrounding Rybkin, who had still made no statements. They also had to apologize to the party leaders who had been included among the allies of the authorities, without adherence to any rules of propriety.

The Powers May Relax

Opinion polls have shown that the majority of voters in Russia wants the elections to be held according to the time stipulated by the constitution. This law-obedience

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by fellow citizens most likely reflects a desire to renew the regime, which has lost a great deal of trust. Such is the main public mood that will determine the attitude toward elections. This is why it is possible to name, with certainty, a number of parties, which will under no circumstances join the party of power. Despite all the differences in their programs, their main trump card is opposition to the regime.

The Democratic alternative. Today this definition applies to all serious parties and associations in the liberal spectrum. The last pro-presidential bastion, known as Russia's Democratic Choice, fell during the Chechen war. Others such as Yabloko and Forward, Russia! have considered themselves as opposition movements from their very inception. Thus, the unification of these three parties with Chernomyrdin's team is practically ruled out. *MN* has learned that, the bloc's initiators, nevertheless, count on Boris Fyodorov.

The Communists. Despite the abundance of parties that have retained allegiance to communist ideals, only one deserves serious consideration: Gennady Zyuganov's Communist Party of the Russian Federation (CPRF). Zyuganov's unification with Chernomyrdin would spell political death for the leader of the opposing CPRF and for the party itself. An alliance with Rybkin? Also hardly probable is that the orthodox communist voters, who form the backbone of the CPRF's electorate, will not forgive the party for its right-wing deviation.

Nationalists. The parties and their leaders on this flank differ from one another mainly in their degree of national-aggressiveness. It varies broadly: from the extremities of Barkashov's Russian National Unity (RNU) to Skokov-Rogozin's Congress of Russian Communities. The authorities will hardly be able to find allies on this flank either.

The initiators of new blocs most likely do not even count on nationalists. Incidentally, the Congress of Russian Communities, or some part of it, could support the great power slogans of the Party of Russian Unity and Accord (PRUA). However, even this is not likely to happen now. Alexander Lebed's almost inevitable rise to the top of Congress, helped by unkind words from Grachev, eliminates the regime's chances for cooperation with the communities.

Right Left Center

Even at the previous elections Shakhrai's PRUA tried to gained prestige as the "party of pragmatists." Judging by the initial statements of Chernomyrdin's followers, this slogan will also be adopted by the new electoral bloc. It can be presumed that the premier intends to recruit potential allies precisely from among the pragmatists.

Pragmatists. Today the Industrial United Party is playing on this field. In addition to this, there is the Realists movement, headed by Yuri Petrov, Yeltsin's former chief of staff. There is also Yuri Skokov's Association of Commodity Producers, the Women of Russia movement, and the Federation of Independent Trade Unions, which has already announced its intention to ally itself with the Industrial Party.

Social-democrats. The politicians of this orientation have conducted consultations on a possible electoral association. The participants in the talks are well known: Vasily Lipitsky's Social-Democratic People's Party, forming together with a number of small movements, the Social-Democratic Union, Alexander Yakovlev's Party of Social Democracy, and Lyudmila Vartazarova and Roi Medvedev's Socialist Party of Working People. There is also the Agrarian Party and the Democratic Party of Russia, led by Sergei Glazyev.

Consultations have shown that there is a basis for the unification of these movements. It shows in the obvious similarity of their programs, the moderately left-wing range of electors and the nonconcurrence of their spheres of influence (the agrarians lay claims to the countryside, whereas other social-democrats appeal to the city)... However, the main characteristic uniting all of them is the same: opposition to the regime.

Thus, the pragmatists and the social-democrats are truly inclined to unite with their like-minded followers. But an alliance under the premier's banners? Hardly so. On the contrary, the talks with Ivan Rybkin can bring about a result, but with one stipulation: the members of the new bloc will insist that it be in the opposition, which is hardly possible either following the president's public "blessing" of the New Left.

Incidentally, the premier will not be left without allies either. The material facilities of the newly-formed movement should not be forgotten either. Some of the comrades-in-arms are already known. They are the cabinet of Russian ministers, the PRUA, and the Stability and Russia parliamentary groups. They are the directors of the Volzhsky (VAZ) and Likhachev (ZIL) Motor Works, as well as the administration of the Gazprom association, presumably in its entirety. Finally, there is the regional nomenklatura, which is dependent on the federal center: from Tatarstan's President Shaimiyev to the governors of Russian provinces.

Apart from this, Chernomyrdin is relying on Yakovlev's and Volsky's parties. Is this enough to win an honest struggle at the coming elections and steal away votes from Yavlinsky (who has been increasingly gaining strength), Gaidar (who continues to be popular among the consistent followers of Russia's Choice)

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and Zyuganov (who is faithful to his ideals)? Chernomyrdin's followers maintain that it is enough, and provide this figure: half of the seats in both chambers of the Federal Assembly. However, the reply will still come from the electors, those same electors who already expressed their attitude toward the regime by voting Zhirinovsky into the Duma.

The President's Plan

Everyone knows that Yeltsin has not yet announced his decision to run for a second term. However, this decision has been made. *MN* has learned that Filatov has already been appointed his campaign manager, according to the president's written instruction. The formation of the two blocs actually amounts to the first act in the outline of this campaign.

The president needs the elections to the State Duma (unlike the elections to the Federation Council). He will not find a better durability test for his possible allies. In this sense, the idea of having two blocs, which are both led by someone who is now loyal to the president, is a sure business. If Chernomyrdin's right-centrists win, the president will appoint them as the presidential party. If Rybkin's left-centrists win, he will make them happy. If both lose, there will be two less contenders to the presidency. Moreover, there is still time to look for new party support, or for a reason to delay the presidential elections.

However, a misfire is also possible. Suppose that Chernomyrdin proves to be right and the electors unanimously give their votes to his indestructible bloc, or to the bloc of Rybkin, appointed as his opponent? Or what if the overwhelming majority of votes (excluding all rivals) will be distributed between these blocs? In this case the premier and the speaker will hardly renounce their claims to the highest chair. Then the idea of delaying the presidential elections may again grip the minds of the existing powers.

Media Issues

*Role of Media in 'Creating,' Publicizing Politicians Noted

954E0997A Moscow ROSSIYSKAYA GAZETA in Russian 20 May 95 p 5

[Article by Albert Valentinov under the rubric "Man and Politics": "The First Estate Is Propped Up by the Fourth: Political Scientists Maintain That It Is the Mass Media That Makes Politicians"]

[FBIS Translated Text] The upcoming elections in Russia will be held for the first time on the basis of legislation that meets international norms, Nikolay Ryabov, chairman of the Central Electoral Commission of the Russian Federation, said at the international colloquium on the role of the mass media in election campaigns recently held in Moscow. The normative base regulating mass media involvement in the election campaign has been drafted, since, as noted at the colloquium, the media undoubtedly influences the process of voter decisionmaking and the outcome of elections. Political scientists who study this phenomenon are even more emphatic. It is the mass media, they say, that "make" politicians.

Search your memory: How many State Duma deputies, for instance, do you know? You would be lucky to count all the fingers on both hands. But there are 450 deputies in the Duma. And each of them is a statesman; each has influence on the course of political events in the country, which means, on our lives. So why do we know so little about them? The answer is simple: We look at politicians through the eyes of the press. We know only those who attract journalists' attention. The kind shown on television, interviewed in hallways, written about in newspapers. And this attention on the part of the press does not always correspond to the politician's importance.

"A graphic example of this is Zhirinovskiy," Doctor of Political Sciences Yekaterina Yegorova, codirector of the Nikolo M political consulting center, comments on this situation. "He was practically created by the press. In the beginning, nobody paid any attention to him, until his exalted escapades attracted journalists' attention. This personality was so incompatible with the traditional perception of a wise statesman that at first he was even compared to a circus clown who was confused as to where is the arena and where is the rostrum. During the initial period of emerging democracy, this was a sensation, a sort of salacious topic—it is not surprising that journalists were literally lining up to interview him: Each wanted to prey on him. This is how the whole country learned about Zhirinovskiy. The result was unexpected. Taught to believe unquestioningly whatever is said in newspapers and on television, people accepted without the slightest criticism Vladimir Volfovich's impetuous promises to solve all problems in a matter of hours. So it was the mass media which unexpectedly for itself to a considerable extent ensured the success of his party in the elections.

Marychev was "made" following more or less the same recipe. What attracted attention was not his speeches, none of which qualified as statesmanlike. Escapades on the level of a communal apartments scandal—this is what attracted them. And we should not blame the press. It learned a lot over a short period of time. While at the time when democracy was only taking its first steps, Zhirinovskiy was perceived as something

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exotic, Marychev's scandals began after the attitude towards the Duma had already formed and people began to pin hopes on it as an effective state structure. By demonstrating to the country his antics—showing up in the meeting hall in prison clothes, a Ukrainian shirt, or something else—the mass media pursued a certain goal—not to entertain but to make people think: Who are the people who made it, by means of party lists and in circumvention of the voters' will, to the organ drafting the laws the country will live by? Does Marychev understand that he is contributing a certain flux into the formation of the popular opinion of the electoral system?

Of course, bringing such persons to the pinnacle of public curiosity is an exception. The rule, however, is that the attention of the mass media—which means, of the whole country—is pinned on serious politicians, who think in broad categories and unfailingly defend state interests in the Duma. Suffice it to recall Anatoliy Sobchak. At a time when many deputies of the just-elected Supreme Soviet were elbowing their way to the microphones with thoughtless, insignificant speeches, just to be shown on television, his speeches were always precise, well argued, and drew the line on the discussion on practically any issue. He was shown, and he was written about with respect, and this respect was transmitted to the country. Of course, Sobchak was "self-made," but with the help of the mass media.

"Studying the complex of the inter-relations between the press and political figures," says Yegorova, "our center has discovered a number of tricks, with the help of which the mass media ensured for politicians election to the positions they sought. Or, if you wish, the politicians themselves ensured these results by manipulating the press, which depended on them for some or other reason. The tricks are well known and quite primitive, but also quite effective for our emerging democracy.

Take, for instance, the recent elections in Tatarstan. Before the beginning of the election campaign, republic President Shaymiyev warned heads of rayon and city administrations that he will no longer make appointments to these posts, and if they do not get elected to the State Council, they will lose their jobs. What happened? Almost all of them won in a competitive fight for the vote: Many local mass media simply "did not notice" their opponents, which means that the voters could not form an opinion of them. And this is the most innocent trick.

There are also more devious tricks, based on Machiavelli's famous maxim: "The goal justifies the means." The kind that was used against President of Crimea Yuriy Meshkov at the peak of his popularity. At the time, local television showed a pregnant woman. Her face was shaded, but her voice was clear and loud. She shared with stunned television viewers the fact that Meshkov had deceived her by returning to his family, and that the wife, or maybe daughter, of the Crimean president had barged into her place and hit her in the belly. Meshkov immediately lost a lot of supporters, especially among the female population of the peninsula. One can imagine what a blow this provocation was for him, to which it is hard to react: Whether you say nothing or deny it, you are still smeared with dirt.

"Of course, such extreme tricks are rare," says Yegorova. "And silence on the part of politicians does not always achieve its goal, since it assumes concentrating attention on just one personality, which sometimes produces an opposite reaction. And it does not matter whether this person is being praised sky-high or smeared with dirt—going overboard in any direction causes rejection in the public conscience."

A typical example is the MOSKOVSKIY KOMSOMOLETS newspaper attack on Minister of Defense Grachev after the slaying of Dmitriy Kholodov. While the first publications unfailingly caused a negative attitude toward the minister in society, persistent repetition of the same things began to simply irritate readers. It is better to say something once, but in such a way that will really make the point. And journalists do have such an ability.

Most often they are realized with respect to politicians who do not know how to look ahead. They act in keeping with the expediencies of today. The aforementioned Grachev was very hurt in the public opinion by his thoughtless statement at the beginning of the Chechen venture—that he could straighten out this region with a paratroop regiment in a matter of hours. Later, during the most dramatic days of the storming of Groznyy, television replayed this item.

Zhirinovskiy also found himself in precisely the same kind of situation. The son of a Ukrainian and a jurist was let down by his passion for self-promotion—a trait that has already ruined more than one ill-starred contender for the pinnacle of power. Sensitive to the public mood, he took a tough position with respect to Chechnya, assuring that he was always against Dudayev's separatist aspirations. Then suddenly a two-year-old item is shown on television: Zhirinovskiy, as a guest of the Chechen president, feasts with him at the same table, toasting the victory of his just cause... It is unlikely that Vladimir Volfovich can count on a large number of supporters now.

"The mass media is a mirror, and one has to possess the skill of posing before it," says Yegorova. "Of trying on the image one wants to have in the eyes of the voters.

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This is one of the elements of political culture which many of our politicians have not yet grown into. They do not understand that one careless gesture, one thoughtless word, and you look completely different in this mirror than you would like. But while in newspaper articles it is still possible to "smooth" out a politician's image, television is absolutely merciless. Have you noticed that General Makashov has disappeared from the political arena? After the 1993 putsch, Rutskoy, Anpilov, and other "patriots" resurfaced, but not Makashov. The brave general was completely destroyed by television images of him calling for the storming of Ostankino. Makashov looked absolutely grotesque in his beret, alternating slogans with curses. And it is quite likely that his own confederates deemed it necessary to remove him—nothing kills better than laughter.

Our conversation took place on the day of the opposition's Victory Day rally, when Makashov in full general's uniform suddenly emerged among the already too-familiar speakers. Having elbowed his way to the microphone, the brave warrior has here too managed to outdo both Anpilov and Umalatova by announcing his recipe for saving Russia: Each general standing next to him, of whom there were several, should "take care" (apparently read: liquidate—A.V.) of one representative of the authority. Such is the level of intellect of a person vying for power.

The example of an equally merciless exposure of a person's true self was shown in the election campaign in Kolomna, where several persons are running for the seat of the slain deputy Skorochkin. One of them is Aleksey Vedenkin, scandalously notorious from the television interview in which he stated that he is personally willing to shoot some deputies. This spectacle made many television viewers shudder. No less impressive was Vedenkin's behavior in Kolomna, where he began to hand out money to future voters in front of the television camera. He engaged in the most banal vote-buying. Vedenkin probably counted on television depicting him as a sort of noble defender of the downtrodden. The result was the opposite. What we saw on the screen was a young fop with the manners of a merchant on a spree, hastily thrusting banknotes into people's hands. I think that those who received money from him were burning with shame when they saw themselves in the clip—it was a denigrating picture.

"The mass media, however, are not only a mirror, reflecting the true person of a politician who does not know how to work with it," says Yegorova. "They also fulfill another very important function—they shape a politician's behavior. They point out where he should move, how he should or should not act. And the decisive role belongs to the newspapers. While television only shows a political figure, newspapers, by analyzing his actions and speeches, by conducting public opinion polls and publishing think pieces on various aspects of public life, set up reference points that help him correct his mistakes and change his tactics and strategy. For instance, it was under the influence of newspaper criticism that Yegor Gaydar changed his vocabulary—he began to speak in a language understood by the people. Which means he became more accessible to ordinary voters.

Even more remarkable was the change in the vocabulary of Boris Fedorov—a politician of liberal bent, who is sensitive to signals from the press. He understood earlier than many others that values in society have changed: After the disintegration of the Union, people again began to perceive Russia as a great power which has things to be proud of. And Fedorov's speeches began carrying patriotic undertones which found a response among the voters. He has not changed his views—only adjusted the style of his speeches.

Of course, a politician's personality, his party, and his program are of tremendous importance. But without the mass media a politician simply cannot exist. To be recognized, people need to learn about him. And only a public figure who understands this, and knows how to work with the press, is ensured success. Hence the importance of the mass media in public life. Calling themselves the fourth estate, journalists were probably too modest. Because even the short period of developing democracy has shown that by their influence on the course of social development and on the disposition of forces in society, the mass media can claim with fairness if not first then at least second place. Especially during election campaigns. So the first estate can feel safe only if it is propped up by the fourth one. Provided we do not forget, of course, who is behind a particular mass medium.

Regional Affairs

Regional Voting Patterns in Parliamentary Election Analyzed

954Q0184A Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian Apr 95 No 4, (signed to press 7 Mar 95) pp 22-32

[Article by Vladimir Yefimovich Gimpelson, candidate of economic sciences and sector head at Institute of World Economy and International Relations, Russian Academy of Sciences, and Sergey Vladislavovich Chugrov, candidate of historical sciences and deputy editor-in-chief of MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA: "Behavior Patterns of Electorate in Russian Regions

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(Experimental Multidimensional Statistical Analysis of Results of 12 December 1993 Election)[1"]]

[FBIS Translated Text] The last parliamentary election in Russia on 12 December 1993 is already history. Of course, this is the kind of history that still has a strong impact on politics today. That is all the more reason to analyze the results as fully as possible and to learn the appropriate lessons from them. One of these is that the study of regional voting trends can give us a more complete understanding of the geography of sociopolitical preferences and attitudes. The discovery of the hidden patterns and mechanisms of the last national election is all the more important in view of the upcoming elections to the Federal Assembly.

The purpose of this article is to determine the structure of the political attitudes of the voters in the different Russian regions and the main axes of political conflict between them. We should begin with the statement that our analysis will not be a discussion of the political parties, the differences between them, or their level of activity in various parts of the federation, but will concentrate on the voting public's perceptions of these parties, recorded in the votes cast for various parties.

To this end, we analyzed the regional results of the votes cast for party tickets in the general election of 12 December 1993. Our research revealed two dimensions of political conflict. In addition to the "economic reform versus anti-economic reform" axis, we found another axis, relatively independent of the first (or perpendicular to it)—"great power advocates vs. federalists." This two-dimensional structure provides a more detailed portrayal of the political profile of the regions and reveals the latent factors determining the Russian political landscape. The explanation of this configuration will take up most of this article.

Database

Our research was based on data published by the Central Electoral Commission on the results of the election to the State Duma in the national district (votes on party tickets for 205 seats) on 12 December 1993.[2] The results of the elections to the Federation Council and the Duma in single-seat districts were not analyzed. The territorial picture is made up of 87 Russian regions (republics, krays, oblasts, and the two "capitals"—Moscow and St. Petersburg). No votes were cast in Chechnya, as we know, because of the Chechen leadership's election boycott. The situation in Tatarstan was essentially an unofficial boycott, as a result of which only 13 percent of the voters cast their ballots (with a 25-percent minimum rate of voter participation), and this figure cannot guarantee the necessary representative data. (It is true that elections were held in Tatarstan after the talks by President B. Yeltsin and President M. Shaymiyev on 13 March 1994, but these were only for single-seat districts, and not for the party tickets.)

The ballots cast for all political parties and election associations were analyzed during the initial stage of the research. There were 13 parties, blocs, and movements—the Agrarian Party of Russia (APR, headed by M. Lapshin), Russia's Future—"New Names," "Russia's Choice" (VR, Ye. Gaydar), the Civic Union for Stability, Justice, and Progress (GS, A. Volskiy), the Democratic Party of Russia (DPR, N. Travkin), "Dignity and Charity," "Women of Russia" (A. Fedulova), the Communist Party of Russia (CPR, G. Zyuganov), the Constructive Ecology Movement of Russia (KEDR), the Liberal Democratic Party of Russia (LDPR, V. Zhirinovskiy), the Party of Russian Unity and Accord (PRES, S. Shakhray), the Russian Movement for Democratic Reform (RDDR, G. Popov and A. Sobchak), and the Yavlinskiy-Boldyrev-Lukin bloc ("Yabloko"). As we know, the election results reflect the political preferences of the Russian electorate as a whole (see Table 1).

Table 1. Results of Balloting on Party Tickets

Parties	Percentage of votes	Number of seats
LDPR	22.92	59
"Russia's Choice"	15.51	40
CPR	12.40	32
"Women of Russia"	8.13	21
Agrarian Party	7.99	21
"Yabloko"	7.86	20
PRES	6.73	18
DPR	5.52	14
RDDR	4.08	0
GS	1.93	0
Russia's Future—"New Names"	1.25	0
KEDR	0.76	0
"Dignity and Charity"	0.70	0
Total		225

Source: "Bulletin of the Central Electoral Commission of the Russian Federation," No 1 (12), March 1994.

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As we know, only 7 of the 13 parties in the election crossed the 5-percent threshold of the doorway to parliament. This is not significant in our study, because we were more interested in inter-regional differences than in absolute figures.[3] That is why the votes cast for the RDDR are included in the following discussion: This movement, headed by Popov and Sobchak, adds highly meaningful nuances to the political profile of the regions.[4]

Is There a Connection Between Voting Patterns?

Even a cursory glance at the election data reveals definite trends in regional behavior. This becomes more apparent if we categorize the nine parties we chose for the analysis in four groups according to their platform goals. During the initial stage of the research we assumed that the parties' platforms would determine the patterns of voter behavior, but it is completely obvious that there is a more complex connection here, evident in a percentage breakdown of the voting public's responses to campaign slogans.

1. "Pro-market forces": During the preliminary stage of the analysis this group united the forces of the parties and election blocs with platforms focusing on the ideas of a liberal economy and a move to the market through the reduction of state economic control. These were "Russia's Choice," "Yabloko," the PRES, and the RDDR.

2. "Anti-market forces": This group was made up of the CPR and the Agrarian Party, and its constituting principle was the aim of stronger government control in the economy. The name of the group is quite conditional, because the "anti-market" forces fully appreciate some elements of the market.

3. "Great-power advocates": This campaign slogan was espoused most candidly by Zhirinovskiy's LDPR. The LDPR platform focused on the consolidation of the centralized Russian state and the elimination of national-administrative units in favor of territorial units under strict federal jurisdiction. Other parties and election blocs of the "great-power" outlook (for example, the "Russian Congregation," the National Republican Party, and the "National Salvation Front") either boycotted the December 1993 election or were not included on any party tickets.

4. "Centrists": This group was made up of the DPR and the "Women of Russia" bloc, with platforms devoid of radicalism and therefore associated with somewhat vague goals.

Regional Map of Political Parties

We should begin by naming the regions offering the parties maximum and minimum support. The "pro-market" parties won their greatest support in the following regions (in descending order, from 61 percent to 40 percent): St. Petersburg, Moscow, Tuva, Taymyr, Sverdlovsk Oblast, Perm Oblast, the Khanty-Mansiysk Autonomous Okrug (AO), Murmansk Oblast, Chelyabinsk Oblast, Karelia, Kamchatka Oblast, Kabardino-Balkaria, Tomsk Oblast, the Yamalo-Nenetsk AO, the Chukotsk AO, Magadan Oblast, Moscow Oblast, the Gorno-Altay Republic, the Nenetsk AO, the Koryak AO, and the Komi Republic.

The "pro-market" parties garnered the least support in the following regions (in ascending order, from 10 percent to 23 percent): Ingushetia, Dagestan, Karachay-Cherkessia, Mordovia, Orel Oblast, Belgorod Oblast, Chuvashia, Tambov Oblast, Smolensk Oblast, Kursk Oblast, Penza Oblast, Altay Kray, Pskov Oblast, and North Ossetia.

The "anti-market" parties won the strongest support in the following regions (in descending order, from 72 percent to 30 percent): Dagestan, Karachay-Cherkessia, North Ossetia, Bashkiria, the Ust-Orda AO, Adygea, Altay Kray, Kabardino-Balkaria, Orel Oblast, Chuvashia, Kursk Oblast, Ulyanovsk Oblast, the Aga-Buryat AO, Mordovia, Orenburg Oblast, and Bryansk Oblast.

The lowest balloting results for the "anti-market" parties were in the Yamalo-Nenetsk AO, the Khanty-Mansiysk AO, Taymyr, Kamchatka Oblast, Murmansk Oblast, Magadan Oblast, Ingushetia, the Chukotsk AO, St. Petersburg, the Koryak AO, Sverdlovsk Oblast, and Karelia.

If we portray the abovementioned regions on a map, the result is another illustration of the frequently observed "phenomenon of the 55th parallel"—a unique line of national divergence. The regions to the north of it vote primarily for "pro-market" forces, and those to the south vote for "anti-market" parties.[5] In December 1993 this phenomenon was corroborated completely by the votes cast for the first two groups.

Even if we simply scan the data, we can see a definite trend: The more votes the "pro-market" parties received, the less support the communists and agrarians could expect, and vice versa. This relationship is confirmed by statistical correlatives.

Zhirinovskiy's LDPR, however, does not fit into this simple illustration of political conflict. This party literally blurred the overall picture by garnering relatively equal support everywhere (but the republics) and winning a relative majority of the vote in 64 of the 87

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regions. In no region, however, did the LDPR win an absolute majority of the vote. Our statistical analysis did not reveal any significant correlation between the votes for Zhirinovskiy's party and the votes for the "pro-market" or "anti-market" parties. This means that Zhirinovskiy not only won support in regions of strong "anti-market" attitudes (the Central Chernozem Economic Region, the Volga zone, and part of the North Caucasus), but also did quite well in the traditional "pro-market" citadels (in Chita Oblast, for example, and in Krasnoyarsk Kray). The reasons for Zhirinovskiy's success are a separate topic, and we will simply note that the absence of a connection between the votes cast for the LDPR and the support garnered by other parties suggested the existence of another (unrelated to the "pro-market—anti-market") vector of political values attracting many voters.

What is this new vector, and what is its relationship to other political axes? The search for answers necessitates another look at the election data.

Interpretation: Political Conflict Between Parties

The prevailing view of the Russian political spectrum in the years of Gorbachev's perestroyka focused on the conflict between forces in favor of market reform and the anti-reformists, frequently reduced to a conflict between anticommunists and communists. This one-dimensional picture was an accurate portrayal of reality just a couple of years ago. (Advocates of the communist method of production made every effort to preserve the remaining "gains of Great October," while the "democrats" tried to destroy the old order.) The situation changed in 1993, especially after the October events: New axes of political conflict were clearly evident in addition to the economic dimension (pro- and anti-reform).

Other researchers have responded to changes in probable vectors of development with new schemes of political divergence.[6] Without going into the details of these indisputably interesting analytical structures, we will simply point out their highly theoretical and sometimes speculative nature. Our approach, on the other hand, was distinguished by its primarily empirical nature and its reliance on the multidimensional statistical analysis of election data. This distinguishes it from other studies known to us, and this is the reason for its merits and, of course, for its drawbacks.[7]

The unidimensional approach to balloting results provides something like "scattergrams" of public support or, conversely, public aversion for various parties. Conclusions with regard to the interrelationships between ballots cast for different parties are complicated by this approach. It is precisely in the interdependence of the votes cast for each of the parties that the latent multidimensional structure of electoral behavior can be found.

The statistical procedures of factor analysis can be used for the move from the unidimensional model to the multidimensional approach. Each factor is essentially a new variable, integrating part of the initial data. During the process we move from a higher number of initial variables to a lower number of integral factors. In the case of electoral behavior, factor analysis allows for the replacement of the initial large group of parties—indicators of political preferences—with a smaller group of factors providing a more accurate portrayal of the country's political profile. Furthermore, it gives us an opportunity to "measure" all regional units on the scales of these factors and thereby make the move from the "party map" to the regional map.[8]

The results of a factor analysis of the election data (the ballots cast for nine parties in 87 regions) are presented in Table 2. The columns represent the factors subject to interpretation, and the lines represent the contribution of primary variables to each factor. Low positive and negative coefficients can be ignored because they do not reflect any strong connections. The parties with low factoral values are not involved in the political conflict represented by the factor.

Table 2. Factoral Structure of Votes on Party Tickets

Parties	Factor 1	Factor 2
Agrarian Party	-.73	-.04
Communists	-.69	-.15
PRES	-.15	.79
DPR	-.10	.26
LDPR	.00	-.83
"Women of Russia"	.46	.34
"Yabloko"	.75	.-25
RDDR	.85	.07
"Russia's Choice"	.86	-.02
Factoral variance	36.6%	17.7%

Calculated on the basis of official data on votes cast for nine parties in 87 regions, published in "Bulletin of the Central Electoral Commission," No 1 (12), 1994.

The **first factor** represents the conflict between two groups of parties and blocs: "Russia's Choice," the RDDR, and "Yabloko" are on the positive side, and

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the negative side is "occupied" by the Communists and Agrarians. (Obviously, the pluses and minuses here do not have any valuative implications in relation to the parties; these symbols simply demonstrate that the choice of one group of parties offsets the choice of the other group.) The essence of the political conflict between the forces for market reform on one side and the Communists and Agrarians on the other is fairly evident. The attitude toward economic reform is at its epicenter. For this reason, we can call this factor the parameter of attitude toward economic reform, or **"liberal economy vs. state economic control."** The primarily economic interpretation of the first factor is confirmed by its statistically significant correlation with several regional socioeconomic indicators (level of urbanization, rate of unemployment, average wage, rate of privatization, etc.).[9]

Support for the policy line of reform, for example, is more probable in more highly urbanized regions with relatively favorable current economic conditions.[10] The agrarian population displays much more conservative behavior in virtually all regions. This feature probably can already be viewed as a constant of Russian politics. It does much to explain the political divergence between the more highly urbanized and pro-reform Russian north and the more agrarian and conservative south. Another element of this support is connected with private income. A higher level of wages in a region correlates with the tendency to support forces for reform.[11] This is particularly apparent in the northern regions (Tyumen Oblast, the Khanty-Mansiysk AO, and the Komi and Sakha republics), many of which are rich in crude resources, especially oil and gas, and can gain considerable advantages from reform.

The **second factor** is the line of divergence between the PRES and the LDPR. A perceptible segment of the voting public consistently supported the LDPR or PRES regardless of whether the region showed a preference for pro- or anti-reform forces. The second factor is more difficult to interpret. This parameter displays no significant correlation with any of the socioeconomic indicators used in the analysis. This feature of the second factor, incidentally, provides further refutation of the common opinion that the ballots cast for Zhirinovskiy were primarily a sign of protest against intense economic reform.[12]

It is logical to assume that the main determining factors of post-totalitarian development are the changing role of the state and the national issue, "exacerbated in Russia by the dramatic reduction of its geopolitical area (the 'breakup of the empire') and by separatist reactions to the eradication of centralism and unitarism."[13] Judging by the campaign promises of these parties, it can be interpreted hypothetically as the conflict between the aims of "a centralized great power" and "strong regions." The arguments in favor of this hypothesis will be presented below in the analysis of regional patterns. The two main factors illustrating the relationship between the parties, recorded in the general election, are illustrated in Figure 1 [not reproduced].

The results of our factor analysis also point up the following, previously indistinct details:

—the fact that the PRES, DPR, and LDPR were close to the vertical axis or on this axis signifies that voters were indifferent to their economic programs (in spite of their appreciable differences) and had other reasons to vote for them;

—"Women of Russia," which was described as an extremely conservative election bloc in numerous analytical and propaganda articles, was actually seen by the electorate as a moderate pro-reform force;

—the Democratic Party of Russia occupies extremely indefinite positions, displaying low coefficients on both axes. This suggests that the party had no clear distinguishing features in the economic sphere or in the sphere of state structure. This attests to the centrism of the party, which was extraneous at a time of the polarization and radicalization of the political attitudes of the population.

At this stage of exposition, the portrayal of the situation has significant shortcomings because it lacks a precise explanation of the essence of the political conflict between the attitudes of voters toward the parties of Zhirinovskiy and Shakhray, which is revealed by the method of factor analysis but requires substantive interpretation. Because we hypothesized a line of divergence on the "centralized great power vs. strong regions" axis, we have to move from the set of party categories to regional divisions and take a look at the distinctive features of the regions giving each of these parties maximum and minimum support.

Interpretation: Political Conflict Between Regions

The factors derived above allow us to arrange all of the regions in order according to them and move from the party framework to something like a political map of the country (see Figure 2 [not reproduced]). The two perpendicular axes create four quadrants of different political attitudes. The position of each region is marked by coordinates on the factoral scale. The point at which the axes intersect corresponds to the Russian average. The close proximity of a region to this point means that this community has no political preferences differing considerably from those of the country as a whole. Just

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over half of all the regions (46 out of 87) are located in the center of Figure 2. The existence of specifically regional political tendencies can be judged from the regions portrayed at an appreciable distance from the point of intersection.

In spite of the seemingly sporadic dispersion, the regions clearly form three compact "clusters."

1. The "pro-market cluster": This is the group of regions situated in the two quadrants on the right and closest to the economic axis. They have low values in terms of the axis of "centralized great-power vs. strong regions." The group is made up of three types of regions: a) the two capitals—Moscow and St. Petersburg; b) the large industrial oblasts of the North, the Urals, West Siberia, and the Far East (Murmansk, Perm, Sverdlovsk, Chelyabinsk, Tomsk, Kamchatka, and Magadan oblasts); c) national entities—the Republic of Karelia and several northern autonomous territories, most of which are rich in oil and gas (Karelia and the Taymyr, Yamalo-Nenetsk, Evenki, Khanty-Mansiysk, and Chukotsk AO's).

These are the regions that were injured relatively less than others by the reform and secured the comparative success of pro-reform parties and blocs. It is significant that the national territories in this cluster are located in the "Shakhray segment of the spectrum" in Figure 2, but they are also close to the economic axis.

2. The "conservative-nationalist cluster": The votes of this politically strong and cohesive group were split between the Communists and the LDPR, but there was slightly more support for the latter. It encompasses only the traditionally European regions inhabited by Russians.

3. The "conservative-regionalist cluster": This group, located mainly in the upper left quadrant, consists only of republics and autonomous entities, which voted for the Communists and the PRES, with slightly more support for the latter. The key difference between these regions and those in the first group is the lack of sizable quantities of natural resources, which alleviate the effects of market reform even when they do not produce direct benefits. A subjective difference may also exist here, stemming from the historical traditions and sociocultural identity of these regions and motivating them to strive for a development pattern that will be less dependent on Moscow.

There are two other regions close to this group, on the "outskirts," just below the economic axis: North Ossetia and Karachay-Cherkessia, where part of the population voted for the LDPR, displaying an apparent wish to preserve strong ties with Moscow, but with a clear preference for the Communists. The hope of prolonging the practice of regular subsidies from the center evidently prevailed over the wish for stronger autonomy there. Sakha-Yakutia occupies an equally interesting position between the first and second groups: This rich republic displayed a wish, in contrast to the "oil and gas autonomous entities," for independence (within the confines of our hypothesis, we should note that diamonds and gold are quite specific commodities). Evidently the tone in this group is set by the south Russian region, which is corroborated by the existence of Adygea and Kalmykia, as well as Rostov and Astrakhan oblasts, in this quadrant.

If we disregard the economic axis and take a look at the regions giving the LDPR and PRES maximum and minimum support, we can see a fairly obvious explanation for the distinction drawn between these parties by the voters. Zhirinovskiy received the strongest support (in descending order, from 43 percent to 30 percent) in Pskov Oblast, Stavropol Kray, Belgorod Oblast, Sakhalin Oblast, Mordovia, Tambov Oblast, Kursk Oblast, Orel Oblast, Lipetsk Oblast, Krasnoyarsk Kray, Ryazan Oblast, Voronezh Oblast, Chita Oblast, Tula Oblast, and Leningrad Oblast. As we can see, most of these are traditionally Russian regions, with the exception of Mordovia (the population of this republic is 51-percent Russian, and it is an example of overt cooperation between the Communists and Zhirinovskiy's supporters).

Zhirinovskiy received the least support in the national autonomous regions. The LDPR garnered the lowest numbers of votes (in ascending order) in Ingushetia, Dagestan, Kabardino-Balkaria, Tuva, and Bashkiria. The protest of the former autonomous regions is a natural reaction to the statements of the LDPR leader, who intends to limit the rights of the national republics. The key feature is Zhirinovskiy's preference for an internal structure based on territorial-administrative divisions—i.e., provincial (or oblast) divisions: "The possibility of the creation of national states within the territory of Russia must be excluded."[14]

Shakhray's party, on the other hand, won the strongest support in republics and autonomous territories—Tuva, Kabardino-Balkaria, Ingushetia, Gorno-Altay, the Aga-Buryat AO, Buryatia, the Ust-Orda Buryat AO, Yakutia, Bashkiria, and the Komi-Permyak AO (in descending order of the percentage of the vote). As we can see, only national republics and okrugs are on this list, and these are the regions that saw Shakhray as the spokesman for their interests. The focus of the PRES platform was (in the perception of voters) strong regions with a somewhat autonomous relationship to the center. This confirms our hypothesis: The line of divergence

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between the parties of Zhirinovskiy and Shakhray stems from the voting public's perceptions of their completely different plans for the future (desirable) state structure in Russia. That is why we had solid grounds to describe the latent conflict corresponding to the second factor as "centralized superpower vs. strong regions."

Some Comments and Conclusions

Quantitative analysis provides the figures to reinforce observations of completely evident political processes. As we can see, however, it can also add certain new nuances to expert judgments. In our case the factor analysis not only confirmed the objectivity of earlier observations, but also revealed an additional axis of political conflict—far from evident on the surface—between the parties of Shakhray and Zhirinovskiy. This conflict is probably subjective because it existed only in the perceptions of voters, but it played an important role in the December 1993 election. As far as interpretation is concerned, there is broad scope for subtle distinctions here.

Of course, our arrangement and interpretation of the factors may be questioned. The PRES is one example of this. This party is quite contradictory in its statements and in the list of its key figures and actual policy aims. It has certain elements in common with the LDPR and with "Russia's Choice." While Shakhray was advocating strong regions, for example, S. Stankevich was elaborating a theory of Russian great-power policy. An even more intriguing feature was the inclusion of Shokhin, the Russian minister of economics at that time, on the party ticket. Of course, most of the voters paid no attention to these details. For this reason, the idea of a strong state and the liberal economic goals of Shakhray's party seemed secondary to the voters who supported the PRES; they were more inclined to be influenced by their perception of Shakhray, minister for nationalities affairs, as a defender of regional interests. As a result, the PRES was seen by voters, especially in the national republics, as the party of regional independence.

Interesting metamorphoses occurred exactly a year after the election and require clarification. The contradictions of the PRES led it into an effective alliance with the LDPR in December 1994, taking the form of support for the military operation in Chechnya. The majority of Communists in parliament, on the other hand, condemned the military operation and were virtually allied with the "Yabloko" and "Russia's Choice" factions in this area. The result was something like "compound axes," and the metamorphosis was more dramatic for the Shakhray faction than for the Communists, because it could affect the interests of its electoral base—the republics and autonomous entities. (It is possible that the government affiliation of the PRES leader played a role in one case and the Communists' traditional antipathy for the president played a role in the other, but this topic has nothing to do with regional voting patterns and is beyond the scope of this study.)

In summation, we can make several assumptions from an analysis of these developments.

First of all, the PRES electorate might look for other political forces to represent the regions' interest in stronger autonomy. The studies of political geographers have revealed clearly defined regional preferences. In other words, regional voting patterns, with slight adjustments and some latitude, are completely predictable. The set of party platforms is probably more variable. This should be borne in mind by the political parties and election blocs that began making substantial adjustments in their political positions in December 1994.

Second, the group of regions traditionally supporting forces for market reform can have the strongest impact on policy through lobbies (the oil and gas lobby, for example), but this advantage is lost in elections: With the exception of the capitals, even the largest regions—like the Taymyr, Yamalo-Nenetsk, and Khanty-Mansiysk AO's—do not, in spite of their resource strength, have a large enough population to secure the victory of pro-reform forces. That is why any party wishing to win the election, or any candidate hoping to occupy the president's chair, must appeal to the voters in the densely populated central Russian and south Russian regions. They are most likely to determine the winner. In contrast to the "dominions" of the market reformers and regionalists, which are geographically scattered or are dispersed among a variety of regional nuclei, this is a geographically compact cluster.

Third, the electoral factor plays the most important role in politics today, and this influence will be even greater by the time of the 1996 elections. The leaders of the country apparently hope to seize the initiative from the nationalists and keep the "Zhirinovskiy factor" from influencing the next election. To a considerable extent, the distinct shifts toward conservatism and authoritarianism in domestic and foreign policy in 1994 and early 1995 were a result of the electoral factor's influence.

Fourth, the threat of the breakup of Russia, which is frequently invoked for political purposes, is clearly exaggerated. Most of the regions advocating less dependence on Moscow do not have impressive economic potential and political influence. Nevertheless, we must not lose sight of the "Tuva phenomenon": This republic displayed almost unanimous support for the PRES in

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a protest against the tendencies toward a stronger "centralized great power." It is possible that this process will gain strength in the future. This is also characteristic, to varying degrees, of several other regions, particularly the explosive North Caucasian belt.

In general, an analysis of the regional patterns of political preferences can help us avoid unpleasant surprises in the next parliamentary and presidential elections (at any time in the foreseeable future).

FOOTNOTES

1. The analytical computations for this work were made in the first half of 1994 during a Harvard University research project. The first version of this article was published in SLAVIC REVIEW ("Political Tendencies in Russia's Regions: Evidence from the 1993 Parliamentary Elections," vol 53, No 3, Fall 1994, pp 711-732) and was co-authored by D. Slider, who wrote the section of the greatest interest to the American reader—a detailed account of the election campaign and a description of the different parties. The authors are grateful to N.V. Petrov and Dan Treisman for their advice and statistical information. We also have to thank the editors of SLAVIC REVIEW, the Center for International Relations, and the Russian Research Center of Harvard University for their considerable assistance and permission to publish the article.

2. "Bulletin of the Central Electoral Commission," No 1 (12), March 1994.

3. Besides this, the 5-percent threshold, which is borrowed from world experience, is only a formality: Some researchers have proposed that the threshold be lowered to 3-5 percent so that part of the population will not be left without representation. See K.G. Kholodkovskiy, "How Parliament Is Elected in Europe, Asia, America...," Moscow, 1994, p 57.

4. The votes cast for the Civic Union, "New Names," KEDR, and the "Dignity and Charity" movement are distinguished, first of all, by a low absolute value and, second, by relatively equal distribution among the regions. It is even more significant that these party platforms were quite vague and did not include any spirited economic and political slogans (this is apparently the reason for their lack of success). Their inclusion in the computations would have added unnecessary "static" to the analysis.

5. We feel that the first thorough analysis of the North-South line of political divergence in Russia was presented in the book by V.A. Kolosov, P.V. Petrov, and L.V. Smirnyagin, "Spring-89: Geography and Anatomy of Parliamentary Elections," Moscow, 1990, pp 69, 74-75.

6. See G. Diligenskiy, "The Political 'Families' in Russia" (SEGODNYA, 16 August 1994, p 10); L. Gordon and N. Pliskevich, "Crossroads and Traps of the Transition Period" (POLIS, No 5, pp 96-103); N. MacFall, "A Clarification of the 1993 Parliamentary Elections in Russia" (POLIS, No 5, pp 124-138), and many others.

7. For a long time some foreign researchers adhered to the belief that outbursts of nationalism and regional protest were related directly to the influence of economic factors and regional developmental differences (for example, T. Nairn, "The Breakup of Britain: Crisis and Neo-Nationalism," London, 1977). Today, however, researchers are departing from this oversimplified approach and are increasingly likely to acknowledge that there is no simple economic connection here and, therefore, no reasonable alternative to a reliance on empirical facts (see J. Mayall, "Nationalism in the Study of International Relations," in "Contemporary International Relations: A Guide to Theory," edited by A.J.R. Groom and Margot Light, London, 1994, p 187.

8. See, for example, Ya. Okun, "Factor Analysis," Moscow, 1974.

9. See "Russian Federation Statistics for 1993," Goskomstat Rossii, 1994.

10. According to calculations, the rate of correlation between the level of urbanization and ballots cast for pro-reform parties is b=.61 if r<.001.

11. A correlation of b=.57 if r<.001. Obviously, differences in the cost of living in different regions necessitate some adjustments, but they cannot change the overall tendency.

12. A. Zubov and V. Kolosov, for example, have stated unequivocally that voters actively supported Zhirinovskiy's party because of the deteriorating economic conditions in the country (POLIS, No 1, 1994).

13. See G. Diligenskiy, "Dynamics and Structure of Political Attitudes in Present-Day Russia," in "Where Is Russia Headed? Social Development Alternatives," Moscow, 1994, p 74.

14. "LDPR Program" (ROSSIYSKAYA GAZETA, 3 December 1994).

*Difficulties for Soldiers, Civilians in Chechnya Described

954E0973A Moscow SEGODNYA in Russian 11 May 95 p 3

[Article by Yelena Suponina, under the "Chechnya" rubric: "The War Continues, and the Chechens Are

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Resolutely Inclined. Field Commanders Assert That Russian Soldiers Sell Them Arms and Equipment"]

[FBIS Translated Text] Groznyy—Vedeno—Moscow—refugees from Chechnya are in no hurry to return home (although many of them now have no home). Despite the fact that those who were sheltered by relatives in mountain settlements risk being killed by bombardments that are to this day not being halted. While those who fled to Ingushetia or Dagestan are not getting enough to eat, and five share a single blanket, living right on the floor of school gyms, everyone all jumbled up—men, women, children who are starting to get sick, more than 50 people in one room.

In Groznyy, it is no better, and no less dangerous. Bella V-va, a medic and a resident of this half-dead city, says, "I am not a Dudayev supporter, but the Russian soldiers have turned many people against them. There are two dangers in the city now. To this day, the Russian OMON [special-purpose militia detachments] men can take a young Chechen in broad daylight. People disappear without a trace, and it is especially terrifying when it gets dark. The second problem is mines: People with shrapnel wounds do not stop coming to the hospital."

In answer to a question as to whether the people of Groznyy are receiving pay, even those of Groznyy's residents who diligently go to work only laugh at my naivete. Everyone gets by as best they can. They sell their goods and chattels and anything they can grab that is left in their neighbors' apartments. Barter business with soldiers flourishes wildly. Some, puncturing holes in the oil pipeline and carefully sealing them back up, collect oil like birch sap, and in certain houses there stands an apparatus that bears a strong resemblance to a home-brew still, for "processing" the oil into gasoline, which is then traded on the side of the road.

The people are accustomed to live without newspapers, radio, light, and water. There are Groznyyites who continue to huddle in cellars. In one such, not far from a church, sit some old people, barely alive, whose psychic state evokes apprehension. Many people live in other people's apartments—the owners have not yet arrived (if they are alive)—because their own homes have been destroyed.

Vladimir S-ko (a Russian) has more than once appealed to the local authorities with a request to push along repairs to his apartment, which was burned down by a Russian shell, but the matter has gone no further than promises. He said, "During the whole time, the only humanitarian aid I have received is four cans of potted meat—for myself and my wife, and you can consider me lucky, even." Khamid S-ov, who, in accordance with the inscrutable laws of Chechen hospitality, which are preserved even under such conditions, offered a night's lodging to these stray journalists, was also settled in someone else's apartment: His was impossible to get into; a whole flight of stairs had been smashed. He carefully draws the blinds for the night, since tipsy Russian fighters like to shoot at lighted windows. Just in case, he checked to see that he had his hunting knife with him: The apartment could be broken into—even if there was now less to steal, the marauding continued. At night in Groznyy there are exchanges of gunfire (just as in Argun, Shali, Gudermes), and the local residents have learned to distinguish when it is just bored soldiers having fun, and when a battle with Chechen fighters is really going on.

Groznyy is frozen with fear. The residents are afraid of the soldiers, and the soldiers are afraid of the dark and of a senseless death. Speaking with a fellow from the Sverdlovsk OMON, by the name of Vladimir, I asked whether he feels that he is fighting for an idea, what his stay in Chechnya means to him. He answers: "I do not know, just an order, service—nobody needs this war." If Dudayev's soldiers have the slogan, "Liberty or death," and if, as they die, they shout, "Allah Akbar," today the Russian soldier dies in silence, calling on his mama for help.

Meanwhile, the territories controlled by the Dudayev government live according to their own laws (in a number of rayons, for example, in Vedenskiy, a shari'ah court has been introduced, which, against the backdrop of the ravaged court instances, promotes the support of discipline), and even according to their own time—an hour earlier than Moscow time. Battles continue. The Chechens have little heavy equipment, and there are not even enough light arms for everyone who wants them, and therefore ammunition is used carefully, in precise correlation with Chechen intelligence data. If direct conflicts are still occurring in the low country, they try to avoid them in the foothills, preferring to operate at night. Despite statements by the federal forces' information services that the Chechens' weapons emplacements are most often neutralized in such cases, I dare to testify on the basis of what I have seen personally that the losses of the Chechen army have been reduced to a minimum. The commander of one of these detachments, by the name of Imran, told me that of the 80 people who were subordinate to him from the beginning of the war, only 11 remained among the safe and sound. But in the month of their sojourn in the mountains, only one man had perished; most of the losses had been incurred in Groznyy and in the lowlands. In the mountains, the Chechens are at home. The Russian Army attempts to crush them with bomb and missile strikes from the air. The Chechens have an obvious shortage of anti-aircraft

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defenses. But I was able to see them bring a helicopter down in flames with a Kalashnikov machine gun.

The Chechens say that they are replenishing their stores of arms with the assistance of the Russian Army itself. Chechen boys buy cartridges from Russian soldiers for vodka; firearms and even armored vehicles are purchased for currency. One Chechen officer told me: "Vodka works miracles. I, for instance, once bought an infantry combat vehicle and a lot of ammunition from them for two cases of vodka and for my word not to fire on their positions for a week. In other instances, I pay with money."

The commander of one of the five sectors of the front, Chechen Army Colonel Shamil Basayev (who at one time commanded a subdivision of Abkhaz separatists and participated in the hijacking of a plane and the seizure of hostages) asserts: "We have the faith and the desire to fight until victory. We have practically completed the creation of bases in the mountains; and every ridge, every gorge—we have taken it all under our control. Today we are beginning a new war, in a new phase. Today we are creating intolerable conditions for the Russian troops, day and night on the entire territory occupied by the Russian aggressor, we are carrying out attacks, and so far it is going successfully." The head of the Main Headquarters of the Chechen Army, Aslan Maskhadov, believes, in addition, "that it is too early to speak of a partisan war, since that war begins when the initiative passes completely into the hands of one's opponent. We have taken our present positions in accordance with the contemplated plan in order to conduct offensive operations."

Battles are also carried on in the territories occupied by the Russian troops. According to the testimony of Chechen officers, each of the major cities is divided into sectors, where fighters operate from strictly defined detachments. And there are the so-called "lone wolves."

The war continues. More and more invalids are appearing on both sides, more and more people are becoming accustomed to the smell of blood, more and more mothers will never see their sons. In the village of Shatoy, I met the Muscovite Anna Ivanovna Pisetskaya, who has been in Chechnya since January and who hopes to find at least some kind of thread that could lead her to her only son, who was sent to the war in Chechnya and was lost back on 1 January. In the village of Chiri-Yurt, Valentina Vasilyevna Usacheva-Mochalina and Nadezhda Alekseyevna Chagadayeva are also searching for their boys from the Samara regiment, who were taken prisoner on 31 December. Some of the people from Samara really are in captivity. I managed to talk to one of them, Sergey Altukhov, in one village. However, the sons of these women are not on the Chechen prisoner lists, and in the regiment itself, they would not even talk about them: "They said that whoever had not returned had perished," weeps one of the women. "I just wish this war would end soon; maybe then it would be easier for me to find my boy."

However, the negotiations that took place more than a week ago in the village of Novyye Atagi demonstrated that, if mutual understanding between military men was achieved in particular questions, agreement is not yet being reached concerning a halt to the war as a whole. The Russian side demands that the Chechens give up their arms, and the Chechen side, as before, insists on a complete withdrawal of Russian troops from Chechnya. Isa Madayev, representative of the Chechen Main Headquarters on the conduct of negotiations with the Russian side said: "On the subject of an exchange of prisoners, we were 'for' that from the very beginning. We are supporters of humanitarian actions, of noble gestures. But only a withdrawal of Russian forces from Chechnya can stop this war." Army commander of the Defense Ministry in Chechnya General Gennadiy Troshev believes: "Perhaps it is just a little, but there has been progress. Like in such questions as the exchange of prisoners, the handing over of the wounded and the dead. We also conducted a conversation on meeting at the level of the defense ministry, and at the presidential level. As for the question of peace, we have remained in the same positions: They do not want to give up their weapons, and we thus far have not resolved the question on the withdrawal of troops from Chechnya."

In all probability, it is the politicians who must resolve the problem. Proof that this is possible is the example of the village of Novyye Atagi, whose residents conducted talks with the federal troops that had approached. Rezvan Lorsanov, in whose mansion the talks were conducted, and also several elders, assert that the village suffered absolutely not at all, while the neighboring Staryye Atagi was almost completely destroyed.

*Tatarstan Begins Monetary Stage of Privatization

954E0946B Tatarstan Begins Monetary Stage of Privatization

[Article by Dmitriy Lukashov, Kazan: "Voucher Privatization Nearing Completion in Tatarstan. Republic's State Committee for Property Working Out Tactics of Monetary Stage"]

[FBIS Translated Text] Even though about half of Tatarstan's inhabitants have not exercised the privatization vouchers issued in their names (IPCh's), which began to be valid almost at the same time as Russia's vouchers, voucher privatization in Tatarstan will

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be completed on 1 August. This was reported the other day by President Shaymiyev at a meeting with personnel of Goskomimushchestvo [State Committee for Property and Investment Funds].

Tatarstan's leaders got the chance to issue all inhabitants IPCh's with a face value of 30,000 rubles along with Russian vouchers thanks to a special method of evaluating state property, so that its value rose by several times. The system of putting IPCh's into circulation is also a special one. For example, it is forbidden to sell them below their face value, and the official exchange rate is set by Goskomimushchestvo. Right now it stands at about 90,000 rubles, but it is rather difficult to sell Tatarstan's IPCh's at that price. Moreover, at auctions for the sale of state property there is a rule which obligates the buyer to pay a large percentage in vouchers, and the price of the commodity is reduced in direct proportion.

These and other rules and restrictions, on the one hand, help to ensure at least partial social justice, unlike the situation with Russian vouchers, but on the other hand they create certain problems. The main problem is the lack of a large-scale free market in IPCh's and, as a result, the low percentage of their realization by the population.

For this reason, Goskomimushchestvo has decided to change its tactics with IPCh's. Before, preferential subscription to the shares of prestigious enterprises was provided only for low-income segments of the population, pensioners, and budget-supported persons; now this right can be exercised by all inhabitants.

In addition, sanctions will be applied against enterprises which do not comply with the terms of the agreement on receiving IPCh's from the population. For example, Naberezhnye Chelny has one of the lowest indicators of voucher sales because KamAZ [Kama Automotive Plant] has been too slow exchanging IPCh's for its shares and failing to meet the norm that is set for it—realizing IPCh's in the amount of 12 billion rubles.

As for any shares that are not bought up by 1 August, according to Mintimer Shaymiyev they will be sold at face value to republic investment funds.

Goskomimushchestvo is simultaneously working out the tactics of monetary privatization. Among other things, the problem consists of selling the state package of shares (averaging 41 percent) through which Goskomimushchestvo hopes to attract major investors to Tatarstan.

The results of several auctions in Moscow, in which the shares of Tatarstan's prestigious enterprises went at prices considerably above face value, showed that people are interested in them. This is true in particular of oil producing and refining enterprises, the Kazan Aviation Production Association, the Kazan Helicopter Production Association, the Kazan Kazanorgsintez AO, Chistopol's Vostok Timepiece Factory, Medita Fur Enterprise, and a number of others.

However, according to Farid Gazizullin, the chairman of Goskomimushchestvo, certain foreign firms have started manipulating to lower the exchange rate of shares in the enterprises of Russia, including Tatarstan; as a result, auctions in Moscow have been halted for the time being. Nevertheless, according to the head of the local State Committee, in the near future, after changes in the sales tactics, the auctions will be resumed.

As for the privatization of agricultural enterprises, Tatarstan has made even less progress than has Russia on the average. According to Mintimer Shaymiyev, "we need to dissolve at least one kolkhoz and experiment until we find an acceptable form of management."

*Tatarstan Budget System Law Passed

954F2343B Kazan RESPUBLIKA TATARSTANA in Russian 20 May 95 pp 3-4

[Law of the Republic of Tatarstan: "On the Budget System of the Republic of Tatarstan for 1995"]

[FBIS Translated Text] **Article 1.** The Republic Budget of the Republic of Tatarstan for 1995 shall be approved in the amount of 2,993,495,000,000 rubles [R] for expenditures and R2,717,422,000,000 for revenues.

The maximum amount of the deficit of the Republic of Tatarstan for 1995 shall be set in the amount of R276.073 billion, or 9 percent of the expenditures of the Republic Budget of the Republic of Tatarstan for 1995.

Article 2. It shall be established that revenues of the Republic Budget of the Republic of Tatarstan shall be formed from the value added tax, excise taxes, a special tax on enterprises, institutions, and organizations for financial support of the most important branches of the national economy, a tax on operations involving securities, some of the tax on the profit of enterprises and organizations, some of the income tax from individuals, and other revenues and fees.

Article 3. It shall be established that the rates of the land tax established by the law of the Republic of Tatarstan "On Payment for Land" shall be applied in 1995 to land of cities and villages with a coefficient of [several lines of Russian text missing].

Article 4. The enforcement of Articles 8, 9, 17, and 18 of the law of the Republic of Tatarstan "On the Budget

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System of the Republic of Tatarstan for 1994" shall be extended to 1995.

Article 5. The rate of the tax on profit transferred to the budget of the Republic of Tatarstan shall be established:

a) for enterprises, organizations, and foreign legal entities—in the amount of 22 percent;

b) for exchanges, brokerage offices, credit and insurance organizations, and for enterprises—according to the profit received from intermediary operations and transactions—in the amount of 30 percent.

Article 6. The following rates shall be established for income taxes:

a) from dividends, interest on stocks, bonds, and other securities belonging to enterprises and organizations, with the exception of incomes received from state bonds and other state securities—in the amount of 2 percent, and for the aforementioned incomes of credit institutions—in the amount of 5 percent;

b) video parlors (from showing videos), from rental of video and audio cassettes, and also from recordings of them—in the amount of 57 percent;

c) casinos and other gaming houses (places) and other gaming business—in the amount of 77 percent.

Article 7. It shall be established that payment for water taken in by industrial enterprises from water management systems in effect as of 31 December 1994 shall be collected with a coefficient of 2.3.

Article 8. The rates for the tax on the property of enterprises in the amount of shall be set at [several lines of Russian text missing]

Article 9. The rates of tax on the property of individuals (buildings, premises, structures) shall be set in the amount of 0.1 percent of the value of the property belonging to them.

Article 10. Funds received from privatization of state and municipal property taking into account the areas of reinvestment shall be distributed between the budgets and funds for privatization at various levels according to the following normatives.

a)between funds and budget

(in percentages)

	Into privatization funds	Into budget of the Republic of Tatarstan
Overall sum of funds received from privatization	10	90

b) among budgets at various levels

(in percentages)

From privatized facilities	into Republic Budget of the Republic of Tatarstan	local budgets
Republic property	70	30
Municipal property	30	70

Article 11. The following list of agricultural enterprises of the industrial type that produce agricultural products according to technology of the industrial type shall be established:

a) poultry farms, poultry sovkhozes, breeding-reproduction facilities of the Tatarskoye poultry production association;

b) grain sovkhozes of the production association Tatpushnina for breeding animals for fur;

c) large animal husbandry complexes and hothouses;

—the Mayskiy sovkhoz in Zelenodolskiy Rayon;

—the Vesenniy and Sosnovoborskiy sovkhozes in Tukayevskiy Rayon;

—the Pugachevskiy sovkhoz in Bugulminskiy Rayon.

Article 12. Revenues received from the main sources shall be taken into account in the Republic Budget of the Republic of Tatarstan in the following amounts:

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	(millions of rubles)
Value added tax	620,000
Excise taxes	741,300
Tax on profit of enterprises and organizations	332,068
Tax on property of enterprises	25,418
Income tax from individuals	75,944
State customs	5,382
Revenues from privatization	122,699
Revenues from foreign economic activity	200,000
Payment for minerals	105,625
Land tax	29,028
Other taxes, fees, and other receipts	184,098
Special tax on enterprises, institutions, and organizations for financial support of the most important branches of the national economy	111,900
Tax on operations involving securities	12,000
Funds to be received from lower budgets	151,960

Article 13. It shall be established that in 1995 all of the tax on the property of enterprises and the tax on the property of individuals shall be transferred to the budgets of the rayons and cities.

Article 14. Norms for 1995 for the collection of tax on the profit of enterprises and organizations and income tax from individuals into the Republic Budget of the Republic of Tatarstan and the budgets of the rayons and cities shall be established in the following amounts:

(In percentages)

No.	Name of rayon or city	Tax on profit of enterprises and organizations (rate of 22 percent of the taxable profit)		Income tax from individuals (in percentages of the contingent of tax received at the rate of 11 percent)	
		into rayon and city budgets	into republic budget	into rayon and city budgets	into republic budget
1.	Agryzskiy	22	—	100	—
2.	Aznakayevskiy	15	7	100	—
3.	Aksubayevskiy	22	—	100	—
4.	Aktanyshskiy	22	—	100	—
5.	Alekseyevskiy	22	—	100	—
6.	Alkayevskiy	22	—	100	—
7.	Almetyevskiy	5	17	60	90
8.	Anastovskiy	22	—	100	—

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(in percentages)

No.	Name of rayon or city	Tax on profit of enterprises and organizations (rate of 22 percent of the taxable profit)		Income tax from individuals (in percentages of the contingent of tax received at the rate of 11 percent)	
9.	Arskiy	22	—	100	—
10.	Atninskiy	22	—	100	—
11.	Bavalinskiy	22	—	100	—
12.	Bayatasinskiy	22	—	100	—
[Several lines missing from table in Russian text]					
16.	Vysokogorskiy	22	—	100	—
17.	Drozhzhovavskiy	22	—	100	—
18.	Yelabuzhskiy	22	—	100	—
19.	Zainskiy	22	—	100	—
20.	Zelenodelskiy	22	—	100	—
21.	Kaybitskiy	22	—	100	—
22.	Kamskoustinskiy	22	—	100	—
23.	Kukmorskiy	22	—	100	—
24.	Laishevskiy	22	—	100	—
25.	Leninogorskiy	22	—	100	—
26.	Mamadyshskiy	22	—	100	—
27.	Mendeleyevskiy	22	—	100	—
28.	Menzelinskiy	22	—	100	—
29.	Muslyumevskiy	22	—	100	—
30.	Nizhnekamskiy	22	—	100	—
31.	Novoshevlinskiy	22	—	100	—
32.	Oktyabrskiy	22	—	100	—
33.	Pestrochinskiy	22	—	100	—
34.	Rybnoslobodskiy	22	—	100	—
35.	Sabinskiy	22	—	100	—
36.	Sarmanovskiy	8	14	100	—
37.	Spasenskiy	22	—	100	—
38.	Tetyushskiy	22	—	100	—
39.	Tukayevskiy	10	12	40	60
40.	Tyulyachinskiy	22	—	100	—
41.	Cheremshinskiy	22	—	100	—
42.	Chistopolskiy	22	—	100	—
43.	Yutazinskiy	22	—	100	—
44.	Aznakayevo	22	—	100	—

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(In percentages)

No.	Name of rayon or city	Tax on profit of enterprises and organizations (rate of 22 percent of the taxable profit)		Income tax from individuals (in percentages of the contingent of tax received at the rate of 11 percent)	
45.	Almatyevsk	8	14	40	50
46.	Bugulma	10	12	85	15
47.	Yelagub	22	—	100	—
48.	Zelenodolsk	22	—	100	—
49.	Leninogorsk	21	1	97	3
50.	Naberezhnyye Chelny	15	7	100	—
51.	Nizhnekamsk	8	14	60	40
52.	Chistopol	22	—	100	—
53.	Kazan	22	—	100	—

Article 15. In the Republic Budget of the Republic of Tatarstan for 1995 the overall volume of allocations for financing current expenditures shall be established in the amount of R2,392,449,000,000, and for financing the development budget, including capital investments—R601.046 billion.

Article 16. Allocations from the Republic Budget of the Republic of Tatarstan shall be provided in an amount of R2,993,495,000,000 for the following purposes:

(millions of rubles)

	Total	including	
		current expenditures budget	development budget
I. NATIONAL ECONOMY			
Planned work	200	—	200
Housing and municipal services	52,027	52,027	—
Automotive transportation	39,750	39,750	—
RGPP Tatstroygazifikatsiya	19,200	19,200	—
Subsidies for fuel sold to the population	1,517	1,517	—
Kazan division of the Gorkiy Railroad	19,400	19,400	—
Tatflot shipping company	7,900	7,900	—
Naberezhnyye Chelny river port	900	900	—
Avialiniya Tatarstana airline company	4,400	4,400	—
Farmatsiya public health organs	7,500	7,500	—
Agriculture	537,425	413,577	123,648

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(millions of rubles)			
Main administration of veterinary medicine	8,953	8,053	900
Subsidy for animal husbandry products sold	152,000	152,000	—
Forestry	49,000	41,500	7,500
Subsidy for bread and onions	14,700	14,700	—
Cinematography	11,800	11,800	—
Compensation for increased cost of construction of residential buildings for housing construction combines	1,500	—	1,500
For maintenance of newly released departmental housing fund and facilities of the social and cultural sphere	114,639	114,639	—
Financing for environmental protection measures	35,000	1,752	33,248
Expenditures from land tax	29,028	—	29,028
Funds dispensed on a reimbursable basis for:			
—acquisition of wheat for food	90,000	90,000	—
—purchase of agricultural products from republic food supply	69,000	69,000	—
TOTAL FOR FINANCING NATIONAL ECONOMY	1,265,839	1,069,615	196,224
II. SOCIOCULTURAL SPHERE			
Education	76,348	76,348	—
Culture	28,407	28,407	—
Measures for implementation of the law of the Republic of Tatarstan "On Languages of the Peoples of the Republic of Tatarstan"	4,000	4,000	—
Periodical press and publishing	12,500	12,500	—
Television and radio broadcasting	9,900	9,900	—
Public health	186,502	186,502	—
Physical culture and sports	12,000	12,000	—
State Committee on Sanitation and Epidemiological Oversight	23,700	23,700	—
Financing measures in the area of youth policy	5,528	5,528	—
Social security	23,500	23,500	—

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(millions of rubles)			
TOTAL IN SOCIOCULTURAL SPHERE	382,385	382,385	—
Science	11,200	11,200	—
Social protection measures	80,500	80,500	—
Representative and executive organs of state power	59,735	59,735	—
Other expenditures	217,942	217,942	—
Capital investments	404,822	—	404,822
Subsidies to lower budgets	560,538	560,538	—
Reserve fund of the Government of the Republic of Tatarstan	10,534	10,534	—

Article 17. Expenditures on maintaining the State Council of the Republic [several lines of Russian text missing]

[Heading missing from Russian text]

	(millions of rubles)
State Council of the Republic of Tatarstan, its Presidium, and the apparatus of the State Council of the Republic of Tatarstan	7,686
For reimbursement to people's deputies of the Republic of Tatarstan for expenditures related to the performance of their deputy duties	90
Expenditures related to conducting sessions of the State Council of the Republic of Tatarstan	100
For conducting elections	3,000
including for maintaining the Central Election Commission	93
Costs of financing the activity of the president of the Republic of Tatarstan and the president's apparatus	3,847
Constitutional Oversight Committee of the Republic of Tatarstan	133
Committee for Parliament Control of the State Council of the Republic of Tatarstan	656
Guest house under the Administration of Affairs of the President of the Republic of Tatarstan	754
Cabinet of Ministers of the Republic of Tatarstan	6,122
Ministries and departments of the Republic of Tatarstan and their organs	34,013
Permanent representatives of the Republic of Tatarstan	2,119
High Arbitration Court of the Republic of Tatarstan	1,215

Article 18. It shall be established that in 1995 costs related to Point 3 of Article 13 regarding payment for the cost of travel to the place of leave and back, Points

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8, 11, and 12 of Article 13, Articles 15, 16, part 3 of Article 17, and Article 23 of the law of the Republic of Tatarstan "On State Service" shall not be financed, with the exception of expenditures made in compliance with conditions previously adopted by legislation and for material and consumer services for state employees.

Article 19. In order to provide for continuous financing of measures envisioned by the budget, in 1995 subsidies shall be made to budgets of rayons and cities in the sum of R560.538 billion, including:

	(millions of rubles)
Agryzskiy Rayon	8,724
Aksubayevskiy Rayon	13,178
Antanyshskiy Rayon	17,890
Alekseyevskiy Rayon	10,563
Alkeyevskiy Rayon	11,964
Apastovskiy Rayon	9,459
Arskiy Rayon	12,903
Atinskiy Rayon	5,755
Bavlinskiy Rayon	11,827
Baltasinskiy Rayon	12,874
Buinskiy Rayon	11,067
Verkhneuslovskiy Rayon	7,517
Vysokogorskiy Rayon	4,907
[several lines from Russian text missing]	
Zaiskiy Rayon	6,914
Zelenodolskiy Rayon	4,578
Kaybitskiy Rayon	6,787
Kamskoustinskiy Rayon	8,062
Kukmorskiy Rayon	10,951
Laishevskiy Rayon	5,392
Leninogorskiy Rayon	1,340
Mamadyshskiy Rayon	15,304
Mendeleyevskiy Rayon	16,434
Menzelinskiy Rayon	722
Muslyumovskiy Rayon	11,426
Nizhnekamskiy Rayon	31,068
including	
worker settlement Kamskiye Polyany	24,279
Novosheshminskiy Rayon	7,058
Oktyabrskiy Rayon	8,775
Pestrechinskiy Rayon	8,051
Rybnoslobodskiy Rayon	11,055
Sabinskiy Rayon	18,431
Spasskiy Rayon	14,571
Tetyushskiy Rayon	9,666
Tyulyachinskiy Rayon	5,636
Cheremshanskiy Rayon	5,348
Chistopolskiy Rayon	4,142
Yutazinskiy Rayon	523
Aziakayevo	16,562
Yelabug	12,031
Zelenodolsk	10,386
Chistopol	4,289
Kazan	153,569

Article 20. Working cash in the Republic Budget of the Republic of Tatarstan shall be approved as of 1 January 1996 in the amount of R12 billion.

Article 21. In 1995 the Cabinet of Ministers of the Republic of Tatarstan shall not adopt decisions that lead to increasing the number of workers of republic organs of executive power.

Article 22. The following list of protected current expenditures of the Republic Budget of the Republic of Tatarstan shall be approved and subject to full financing: wages, taking into account contributions to social insurance and deductions into the state fund for employment of the population of the Republic of Tatarstan; stipends; state subsidies; other social and compensatory payments to the population; food; acquisition of medications and bandages; subsidies transferred into local budgets [several lines of Russian text missing] payment of wages.

Article 23. It shall be established that additional revenues of the Republic Budget of the Republic of Tatarstan for 1995 received in excess of the sums established by Article 1 of the present law shall be used to increase the expenditures envisioned by Article 16

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of the present law in the proportions established in the given article.

Article 24. The law shall take effect on the day of its adoption.

[Signed] President of the Republic of Tatarstan M.S. Shaymiyev

Kazan, 27 April 1995

*Tatarstan Announces Oil Processing Plant Construction

954E0988A Moscow KOMMERSANT-DAILY in Russian 17 May 95 p 10

[Article by Galina Pechilina: "Republic Wants To Refine Its Own Oil by Itself"]

[FBIS Translated Text] Tatarstan, which extracts more than 20 million tonnes of petroleum a year, has finally come close to solving the petroleum refining problem. Last weekend the republic's government made a final decision on the choice of a foreign partner for carrying out a project to build production facilities with a capacity of 7 million tonnes per year for the thorough refining of petroleum. The partner will be the American company Lummus Crest (a division of the ABB transnational concern), which, in the experts' opinion, presented the optimal technical and economic feasibility study for the construction. Completion of the complex (rough cost, about $1 billion) is planned no later than the year 2000.

Problems That a Petroleum Refinery Must Solve in Tatarstan and Options for Solving Them

In developing the technical and economic feasibility study, which was paid for, incidentally, by the U.S. Government Trade and Development Agency (in July 1994 a non-repayable grant of $300,000 was transferred to the Nizhnekamskneftekhim Joint-Stock Company for that purpose), the Lummus Crest firm took the following mandatory conditions into account: a 1:1 mixture of ordinary and high-sulfur petroleum must be used for refining; the amount of light petroleum products must meet Tatarstan's needs; the new production facility's products must be competitive; and finally, a high degree of environmental safety must be ensured for the refinery.

KOMMERSANT: Currently, approximately one-third (about 7 million tonnes) of the 20 million tonnes of oil extracted in Tatarstan is high sulfur. The region's total annual requirement for petroleum products amounts to 670,000 tonnes of gasoline, 315,000 tonnes of aviation fuel, and 1.2 million tonnes of diesel fuel.

The point of departure for constructing the production facility will be the unit for the initial refining of petroleum that is currently operating in the Nizhnekamskneftekhim Joint-Stock Company; it has a capacity of 7 million tonnes a year, was put into operation in 1979, and was designed for the production of straight-run gasoline (a raw material for the production of ethylene). Since the degree of refining on that unit does not exceed 40 percent (it averages 64 percent at Russian refineries and 85-90 percent in the developed countries), the high quantity of residual oil that is produced by it (about 4 million tonnes a year) effectively paralyzes the enterprise's work. It is literally choking on residual oil, since it is difficult to sell it inside Russia because of the chronic shortage of railroad tank cars and interruptions on the railroads, and it is unprofitable to export it because of its high sulfur content (which brings down the price). A similar situation exists with the vacuum distilled gas oil that is produced there, the export of which is altogether impossible, since it is not used anywhere because its sulfur content exceeds one percent.

It is planned to build the complex in three stages. The first includes a unit for the hydrorefining of diesel fuel that produces low-sulfur diesel fuel and aviation fuel; it is to be based on Lummus Crest technology and to have a capacity of 2 million tonnes a year. The second stage includes a 4-million-tonne unit, based on Chevron technology, for the hydrodesulfurization of residual oil. The third stage involves a 3.5 million tonne unit, based on the technology of the American UOP company, for the catalytic cracking of desulfured residual oil. Creating the facility for hydrorefining diesel fuel requires relatively small capital investment, and that is evidently why it has been included in the first stage; its cost will come to $99 million, plus $22 million for construction and installation work. On the other hand, the complex for the thorough refining of residual oil will have to be built virtually from scratch, and in addition to the hydrorefining and catalytic-cracking processes, it will include units to produce high octane components of gasoline, hydrogen, sulfur, and commercial propylene.

The Sources of Financing for the Construction

Generalizing the views expressed during discussions of the project, Tatarstan's Prime Minister Farid Mukhametshin noted that the financial part of the project had been worked out less thoroughly than the technical aspect. The sources of financing, the mechanism for the repayment of credits, and the possibilities for marketing the products remain unclear. According to the estimates of Lummus Crest's specialists, the total cost of the project will come to $1 billion. Of course, neither Tatarstan nor the Russian Federation has that kind of money; there-

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fore, the money that is needed can be only be obtained in the form of loans. Moscow's Neftek-Tekhno Joint-Stock Company has already held preliminary talks with a number of U.S. banks about the possibility of financing $750 million of the project. As one participant in a meeting of the Republic of Tatarstan Council of Ministers noted, "no one has yet brought that sort of loan into Russia." Nonetheless, despite the unprecedented nature of the sum, obtaining it in Tatarstan was considered perfectly realistic with the sole proviso that the loans would, in all likelihood, require guarantees by the Republic and federal governments. In addition, in financing the project the Republic of Tatarstan Government intends to enlist funds from all of the republic's large petrochemical enterprises, as well as revenues expected from implementing a plan being developed by the Tatneft Joint-Stock Company for increasing its earnings per tonne of oil extracted. Finally, of course, the loans can be partially repaid from the sale of the products of the first and second stages of the production facility. After all, its capacity will make it possible to produce output in quantities substantially exceeding Tatarstan's requirements: exceeding them 2.56 times in the case of gasoline, 1.6 times in the case of aviation fuel, and 2.1 times in the case of diesel fuel. It is believed that their high quality and moderate prices will make it possible to ensure a market for them. A petroleum terminal at Kama is supposed to become an important element in the petroleum refinery complex's export infrastructure. A technical and economic feasibility study for it has been produced by the American company Leonard Engineering, and an agreement in principle to provide $100 million in credit for its construction (a total of $134 million is required) has already been obtained from the U.S. Export-Import Bank.

The Republic of Tatarstan Government has approved a draft decree according to which construction of the complex as a whole is supposed to be completed no later than 2000. The Neftek-Tekhno Company has been given the assignment of drawing up a credit agreement with U.S. banks for bringing in the financial resources, and the Nizhnekamskneftekhim Joint-Stock Company has the assignment of acting as borrower of the $750 million loan and of concluding a contract with ABB Lummus Crest this June for producing a design for the base technology for hydrorefining diesel fuel. Oversight over implementing the decree has been assigned to the Tatneftekhiminvest Holding Joint-Stock Company. Along with Neftek-Tekhno, Nizhnekamskneftekhim, and Tatneft, it is supposed to prepare proposals by 1 January 1996 for enlisting investments from our country and foreign countries to form the joint-stock capital required to build the complex for the thorough refining of residual oil.

The New Refinery as Part of a General Strategy for the Development of Tatarstan's Petroleum Complex

The drawing up of a specific project for the development of Tatarstan's own oil-refining capacity signifies the conclusive reorientation of the republic's petroleum complex from the sale of crude oil to the marketing of petroleum products. One direction this is to take is the production of petroleum products in the republic itself, which is the intended purpose of the new petroleum refinery, supplemented by the existing capacity of Nizhnekamskneftekhim and the terminal that is under construction at Kama, along with the oil tanker fleet. This complex will be capable of refining about half of the Tatar petroleum. Another direction is connected with plans for establishing three financial and industrial groups with the participation of the Tatneft Joint-Stock Company: Ukrtatnafta (with the Kremenchug Petroleum Refinery), Mostatnafta (with the Moscow Petroleum Refinery), and Volga Oil (with Gorknefteorgsintez). It is planned to turn over 3 million tonnes of Tatneft's annual production to each of these financial and industrial groups. These plans are extremely advantageous for Tatarstan. While leaving the Tatneft Joint-Stock Company under its control, the republic will nonetheless be able to guarantee distribution of all the crude oil that is produced.

These plans, however, are in conflict with present trends in the organization of Russia's petroleum complex. The recent unsuccessful history of the construction of a new petroleum refinery in Tomsk clearly demonstrated that federal energy authorities are by no means inclined to disturb the industry's existing structure. The argument for this position is very simple: the reconstruction of existing refineries costs half what it costs to build new refineries with the same capacity. This argument could become a serious obstacle in Tatarstan's search for foreign credits for its own petroleum refinery, since existing refineries will enjoy priority with creditors. Moreover, in connection with the chronic underutilization of the capacity of Russian petroleum refineries, one can hardly expect the federal authorities to provide guarantees for the loans to build the new refinery. On the contrary, they will probably do everything possible to block implementation of the project.

Greater difficulties may face the republic authorities on the path to establishing large financial and industrial groups. The executives of the Ministry of Fuel and Energy, for example, had the following to say about the Omsk Administration's initiative to establish a financial and industrial group on the basis of the Omsk Petroleum Refinery Joint-Stock Company: "Let the refinery first join some company; then it can establish a financial and industrial group with whomever it wants."

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It must be said, however, that the Tatar authorities have a good many allies. For example, Ukrtatnafta is, for all practical purposes, a done deal. KOMMERSANT has information that the signing of an intergovernmental agreement between Ukraine and Tatarstan pertaining to the establishment of Ukrtatnafta is slated for the end of May. Moreover, the Moscow and Nizhniy Novgorod administrations are not inclined to give up "their" petroleum refineries to any company, which also makes for favorable conditions for the establishment of financial and industrial groups.

***Samara Banking System Stability Assessed**

954F2314B Samara SAMARSKIYE IZVESTIYA in Russian 28 Apr 95 p 13

[Review by V. Kornelyuk, financial commentator of the DELO newspaper, special for the OBZOR agency, under the rubric "Banking Review": "Oblast Banks: Profitability and Reliability Rating"]

[FBIS Translated Text] This review is devoted to analysis of the results of banking operations in 1994. It is based on data of balance sheets as of January 1995, made available to the author by Samara Oblast's 13 leading banks. In this material the banks' situation is analyzed according to the indicators of profitability and financial stability.

Profitability

Banks created for the purpose of making a profit earned this profit. Three banks in the oblast have an inarguable lead in this respect.

The main rating indicator in this respect is the ratio of balance sheet net profit to the volume of assets (column 2), that is, how much return is earned on the assets. The table below shows the 10 best banks in the oblast with respect to this indicator.

Profitability of Bank Operations

Rated Ranking	Bank	Net Profit, million rubles	Net Profit to Assets Ratio, Percent
1	Gazbank	30,866	24.98
2	Rosestbank	26,968	14.04
3	Volga Social Bank	11,341	11.44
4	AvtoVAZbank	76,019	3.48
5	SKD-bank	853	3.22
6	Samaraagrobank	13,841	1.99
7	Samaramedbank	130	1.83
8	Adamas-bank	1,562	1.70
9	Tolyatti-bank	884	1.20
10	Volga-Kama Bank	191	0.35

In principle, the same banks also lead with respect to other indicators: financial stability, quality of credit policy, and safe structure of attracted resources. It is the sound banks that are profitable these days, and therefore the profitability and soundness rating currently practically coincide.

Financial Stability

The leaders in this respect are practically the same, although the composition and rank in the rating of the top 10 differ somewhat.

In this respect, we took as a rating indicator the well-known "coverage coefficient." The first column shows the ratio of potential capital (own funds plus net profit)

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to volume of attracted resources: To what extent the bank is capable of "covering" its obligations to clients with its own funds. The second column shows the ratio of potential capital to volume of credit issued: to what extent the bank is able to "cover" the credit risk with own funds, exclusive of the reserve account. And the third column is the ratio of attracted funds to credit assets: to what extent the bank can "cover" credit and insurance with the volume of attracted funds. The rating is calculated from the sum of ranking the three columns.

Total Indicators of Financial Stability

Rated Ranking	Bank	Potential Capital to Attracted Resources Ratio, Percent	Potential Capital to Loans Ratio, Percent	Attracted Resources to Loans Ratio, Percent
1	Gazbank	76.7	116.3	151.6
2	Volga Social Bank	29.1	63.8	219.3
3	Rosestbank	29.3	41.3	140.8
4	AvtoVAZbank	12.9	18.1	140.1
5	Samaramedbank	44.8	51.4	114.8
6	Volga-Kama Bank	8.2	13.9	169.1
7	Samaraagrobank	12.0	14.7	122.4
8	SVKB	7.5	10.7	142.8
9	SKD-bank	11.5	13.3	115.2
10	Adamas-bank	10.7	10.8	100.7

General Trends

The year 1994 saw a strengthening of the positions of banks that implemented a cautious credit policy and had strong clients—enterprises capable of putting to work credits received at the bank and supporting their bank with steady residuals in operating accounts. The interdependence "strong bank—strong client" is now more noticeable than ever.

Ratings leader Gazbank stands apart in its work with clientele and works from an inexpensive resource base and flexible credit policy, which takes into account the seasonal factor in credit needs. Rosestbank makes the most profit in foreign currency operations. Volga Social Bank's operations last year were characterized by strong interbank credit and the support of the Pension Fund of Russia. These three leading banks fully meet the structural stability criteria accepted in banking practice and may currently be considered absolutely sound.

The indicators for large banks are more modest but acceptable. Despite some risk AvtoVAZbank undertook in buying out the debt of the AO [joint-stock company] AVI.S, its financial situation remains at an acceptable level of profitability and financial stability. Samaraagrobank's indicators also meet overall financial stability norms. SVBK has achieved certain success: While as of 1 October it showed considerable losses in connection with the debt owed by defense enterprises, by the new year it was already showing a profit, albeit not substantial.

Of the medium-size banks, Adamas-bank and SKD-bank operated in 1994 with steady, albeit modest, profit. Young banks, formed in 1994, deserve particular notice. Samaramedbank, which services the health care system's funds, boasts the best indicators among them.

All the other banks finished the year practically without profit, and some of them have not made their reports available. We also know of several banks that are still insolvent. As of now, only Land Bank's banking license has been officially revoked. Ladabank, Inzhener-bank, Samaraavtotransbank, and Gubernskiy Bank may only temporarily be considered insolvent. These banks are looking into credits from other banks, the possibility of attracting new stockholders, or merging with stronger banks and becoming subsidiaries as a potential way of getting out of the crisis. The situation in this respect is still unclear.

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Kazakhstan

*Defense Deputy Minister on Armed Forces Discipline

95UM0439A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 13 May 95 p 2

[Interview with Major General A. G. Isengulov, Kazakh deputy minister of defense for education, by Raisa Dobraya, from the KAZAKHSTANSKAYA PRAVDA staff; place and date not given: "Aytkali Isengulov: I Agree To Declare War on Shortcomings in the Army"]

[FBIS Translated Text] *With the articles, "When Soldiers Die..." and "A Difficult Discussion of Things That Do Not Become the Army," KAZAKHSTANSKAYA PRAVDA raised the issue of the state of discipline and the observance of regulations regarding the treatment of subordinates in the Republic of Kazakhstan's Armed Forces. This time we are giving Maj. Gen. A. G. Isengulov, Kazakh deputy minister of defense for education, the opportunity to speak.*

[Dobraya] Aytkali Gusmanovich, no representatives of the Ministry of Defense were invited to the conference of soldiers' mothers; you probably have something to say on this.

[Isengulov] First let's be clear about the status of the conference.

It was not a republic conference of the committee of soldiers' mothers. Tell me, where, when, by what organizations, and according to what principle were its participants chosen?

Granted, the conference was convened under the aegis of the White Handkerchief movement—we wanted to help and take part in it—but the open hostility perplexed us military people. How could they not invite the people in whose hands their sons have been placed?

[Dobraya] I think, nonetheless, that one can understand the mothers, who incidentally spent their own money to attend. The main point is certainly not the status of the conference, at which truly horrifying facts were presented. I am interested in your view of the problem. How can it be avoided?

[Isengulov] I am grateful to your newspaper for writing about the problems our mothers raise. My mother also worried about my life. She lost nine children during the war and the hard post-war years, and I understand the parents perfectly well and share their pain and grief. I agree to declare war on shortcomings in the Army, which I know from the bottom up. I myself served as a soldier for a year and a half in the Northern Group of Forces. I lived in the barracks that is now being criticized, and I washed the "grooved" floors in the 180-meter-long corridor. I know as a soldier, not an officer and general, what a soldier's life is like. We are fighting to reduce the deaths in the Army. Of all the CIS countries, Kazakhstan has the highest percentage of decline in the deaths of servicemen.

[Dobraya] I don't think that the situation in Kazakhstan should be compared with the other CIS countries. Besides, the size of the Army plays a role. Exactly what, in any event, is being done to change the situation?

In his 23 November 1994 decree, "On Measures To Strengthen Military Discipline and Step Up the Fight Against Violations of Law in the Armed Forces of the Republic of Kazakhstan," Nursultan Nazarbayev notes that the state of military discipline does not meet the requirements placed on it.

[Isengulov] What's to be done? First of all, meet the president's demands. Half of the violations of military discipline in our Army are related to the failure of officers to carry out their functional duties. In general, a lack of respect for the letter of the law and the letter of regulations is simply a nationwide problem in our country. One recalls the depressing observation that "the severity of Soviet laws has always been mitigated by the lack of obligation to carry them out."

We must start with the fact that discipline is the job of each and every person, not with the notion that "my job is just to see to it that the vehicle gets going," or that the "cannon shoots." Who stands behind the carriage of that cannon or sits behind the wheel of that vehicle? A human being!

How is he supplied, shod, and fed? What are his concerns? You will not improve discipline with appeals alone. Isn't timely provision with everything necessary also a matter of discipline?

Yet in 1994 we received just 48 percent of the amount allocated for maintaining the Army and less than 20 percent of the amount allocated for educational work. Our libraries are not getting new books. One in three education and information rooms lacks a television. Furthermore, right now the Armed Forces has only about 40 percent of the required education specialists and just over 50 percent of the required officers. Many have left to serve in other countries or have resigned. That must also be taken into account. The system in the country has long since changed, yet we, for example, are still watching the film *Chapayev*. We continue to live by the old standards. We cannot purchase a single new film or new movie projector.

Supplying people with and meeting people's material and everyday needs are the basis of many problems.

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[Dobraya] Incidentally, with regard to supply, there is information that soldiers sometimes faint from hunger.

[Isengulov] One can believe that and one can dispute it. Nonetheless, one still must understand that the Kazakh Army is undergoing a period of development. On whatever economic level the country is, the army will be on the same level.

[Dobraya] Yes, like all society our Army is not provided for the way it ought to be, and sometimes tyranny exists in the units.

[Isengulov] As for tyranny, I recall one case. Once a mother came to see me with her soldier son who had served in Semipalatinsk for half a year. I won't give his name. She said that her son had been beaten in his unit and asked me to transfer the young man to another place. I accommodated her. About seven or eight months later the woman came to see me again with a request that I relieve her son of criminal liability. It turned out that he had already beaten up a younger inductee. I did not help her. Her son got two years in a disciplinary battalion.

Hazing has gone on for years. That sore must be healed, but I would like to ask parents a question: What was the reason for the hardening? People must be reared properly from kindergarten on.

Of all the suicides in the Army, 100 percent occur in the first half year. We very much need the help of the people and mutual understanding, including that of the mass media. After all, if you constantly tell a person about his shortcomings, he will start to believe in them. Our educational structures are very weak and understaffed. For all practical purposes, we have not begun to train genuine military educators. The one 30-man platoon that we train every year at the Almaty Higher Military School cannot fully meet the Army's needs. Therefore, you will also understand us. I have been working in the ministry for two years, and before I arrived, there was not even a department of information and propaganda.

[Dobraya] Propaganda for what?

[Isengulov] For the ideals that we serve, i.e., the Constitution, loyalty to the supreme commander in chief, and loyalty to the life that we are building in Kazakhstan. Because of a lack of funds, even our newspaper only comes out twice a week, not to mention our theoretical military journal.

Our Armed Forces are young, and you won't establish an ideal order right away. Nonetheless, we are taking action. In 1993 the mortality rate was down 32 percent compared with 1992, and in 1994 it dropped 26 percent compared with 1993.

Let me cite a specific example. In the air-assault brigade, which is a special-purpose unit, it has been possible to drastically reduce the number of AWOLs. When the ministry was established there were 12,000 deserters, and now the number is one-third that. Moreover, 1,902 of the 4,000 deserters left before they had undergone the Ministry of Defense's educational program. We also hold court martials. Recently some 14 men have been convicted at such court martials in garrisons.

[Dobraya] Have you personally visited units in connection with crimes?

[Isengulov] I myself spend one-third, if not more, of my work time in the units. Cases differ. Unfortunately, we have very few career officers who have a lot of service experience. That is one reason for the negative phenomena in the Army.

[Dobraya] That is why the issue of a professional army comes up. After all, isn't that a way out of the situation?

[Isengulov] Many of the problems would be eliminated. Nonetheless, it is not a panacea. Even in the highly professional armies of certain Western countries, not all is well. There are deserters, drug abusers, and alcoholics. Moreover, a number of new problems appear with the introduction of contract service.

The Army is the guarantor of the sovereignty and security of our people, of our teachers, and of our physicians. What sort of security would it be if every last thing was taken away from employees paid out of the state budget in order to finance contract servicemen? We need to proceed with a concern for the state as a whole and for the interests of all the people in dealing with the issue of contract service. Then there won't be excesses.

[Dobraya] When people go to serve in a professional army, they know what to expect. As for money, some thinking probably ought to be done. Who, for example, has figured out how much money is needed for a professional army? Maybe it would take less money than the present one. We need to work together to address this problem so there won't be any more conferences of soldiers' mothers and won't be any bitter letters from parents in which they write that they are sending living and healthy children off to the Army and getting coffins back.

Allow me to ask one more question. What do you say about thefts of weapons in the Armed Forces?

[Isengulov] The pursuit of weapons has intensified at present. Recently, for example, the Supreme Court sentenced A. Petrya, an extended-service warrant officer, to capital punishment for killing two guards and taking

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their weapons. Maj. Smirnov, chief of a combined unit's rocket and artillery weapons service, and his subordinate Maj. Baranov stole weapons. Both were convicted.

Yes, such cases do exist, but the law-enforcement agencies and the military justice system are still not acting entirely aggressively. Some cases are dragged out for a year or more. What I would like to note here is that soldiers should not suffer because of the unscrupulousness of some people. The criminals must be named by name. The entire Ministry of Defense must not be blamed. Yet we have a habit, incidentally, of generalizing everything. Such habits must be abandoned. Then we will not have complaints to level at the mass media, the judges, or the investigative agencies.

[Dobraya] Nonetheless, Aytkali Gusmanovich, despite everything, the call-up campaign is beginning. What can you say and wish, in order to give at least some encouragement, to the inductees and their parents?

[Isengulov] One must be confident that there will be greater order in Kazakhstan's Army with every passing year. As in all democratic states, we are trying to take human rights into account in the Army, too.

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